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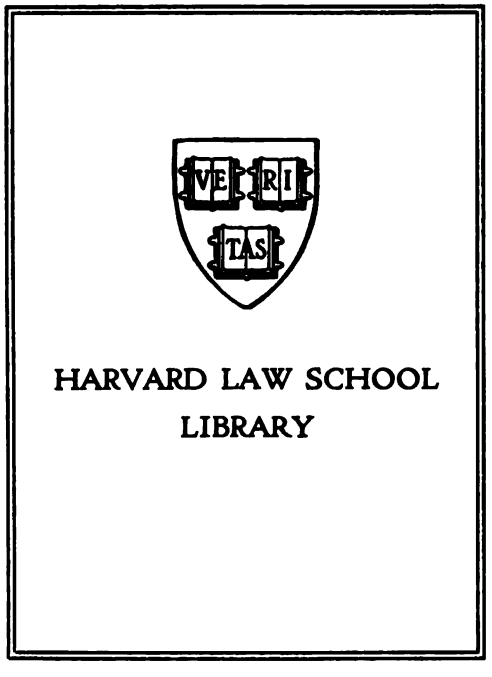

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THE POSITION OF THE UNITED STATES ON THE AMERICAN CONTINENT—SOME PHASES OF THE MONROE DOCTRINE

By Honorable Francis B. Loomis

First Assistant Secretary of State, Washington, D. C.

Consideration of the political position of the United States on the American continent must inevitably entail some discussion of the Monroe doctrine, for our attitude and interests have largely been evolved and determined by the development of this famous declaration. Fundamentally, the Monroe doctrine is our expression of the national right to self-defence. Sooner or later a doctrine or policy identical in spirit if not in form would have been enunciated even had Monroe and Adams never lived. The Monroe doctrine was not the result of one man's mind and effort, nor the development of one day or of one decade. It grew up slowly and expanded into vigorous being during the first quarter of the last century. The menace of the Holy Alliance and the fact that England's interest in combating its possible operations in the New World were identical with our own made necessary a strong expression from this country and gave to that pronouncement the power and prestige which it instantly achieved. The impending dangers which caused the promulgation of the Monroe doctrine passed away with the dissolution of the Holy Alliance. For many years little or nothing was heard of our so-called policy. When Polk invoked it in 1848 the danger of considerable European aggressions upon this continent had not for a long period caused serious apprehension. There was apparently no talk as there was no question of colonization in the New World by European powers, nor any active attempt on their part to extend their political system to this continent.

In his annual message of December 2, 1845, President Polk, referring to the dispute between this country and Great Britain as to the Oregon territory and to the possible intervention of European powers in consequence of our annexation of Texas, aimed to give to that paragraph of the doctrine dealing with colonization a meaning

popularly but erroneously conveyed by the expression "no more European colonies on this continent," but in using it he restricted its application to North America, saying that "it should be distinctly announced to the world as our settled policy that no future European colony or dominion shall, with our consent, be planted or established on any part of the North-American continent."

It will here be seen that President Polk gave a new and extended meaning to Monroe's declaration against colonization. He pronounced against the establishment of any dominion on the North-American continent by European power, a term which, of course, includes the acquisition of territory by voluntary transfer or by conquest of colonies or territories already occupied. Three years later President Polk reasserted his doctrine in a special message to Congress, called forth by an Indian depredation in Yucatan which led the authorities to offer to transfer "the dominion and sovereignty to the United States," and at the same time to make a similar offer to Great Britain and Spain. President Polk, in urging the occupation of the territory by the United States, declared that "we could not consent to a transfer of this dominion and sovereignty to either Spain, Great Britain, or any other European power." This presentation surpassed the Monroe doctrine in all of its parts. The Monroe doctrine was based upon the right of the American states, whose independence we had acknowledged, to dispose of themselves as they saw fit. It was directed against the interposition of European powers and aimed to control their designs against the New World. Mr. Adams, in his graphic, felicitous manner, expressed this notion in his diary, as follows:

> "Considering the South Americans as independent nations, they themselves and no other nation had the right to dispose of their condition. We have no right to dispose of them, either alone or in conjunction with other nations. Neither have any other nations the right of disposing of them without their consent."

The doctrine of President Polk, however, forbade the acquisition of dominion in North America, either by voluntary transfer or cession. It is obvious that President Polk, in invoking the Monroe doctrine in the sense in which he sought to apply it, was endeavoring to strengthen his position in respect to annexation which was formidably opposed in some sections of this country.

That his attention and interest were centred upon this feature is indicated by the fact that in 1846 he abandoned his claim to the Oregon territory and agreed to a settlement of the boundary at 49 degrees instead of at the line of "54-40 or fight," to which he had previously announced our title to be unquestionable.[1]

Growth of the Monroe Doctrine.

The Monroe doctrine to-day gathers its strength as a vital American policy from the support and life which the power and efficiency of the United States breathes into it. It will have effect and command respect and be carefully considered and weighed just as long as we are in position to back it up with men and guns. This view is not lacking in historical support. In 1862-63, during the gloomy days of our civil war, when the energies of the government were centred in the desperate struggle for the life of the Union, it became evident that France was preparing for activity in Mexico, and that her armies were being used to set up a monarchical form of government, contrary to the wishes and desires of the people of that country. It was not possible for us at that moment to go to war with France; hence we had to content ourselves with a rather mild protest against the aggressive act of the French Emperor. A few years later, however—in 1865—the close of the great war of the rebellion left in this country two vast armies under the leadership of some of the foremost generals of the world. Owing to the fact that this formidable military force could easily have been turned against the invaders in Mexico, it took only a slight hint from Mr. Seward, coupled with a mere allusion to the salient principles of the Monroe doctrine, to cause the immediate withdrawal of the imperial troops from the soil of Mexico, a step which speedily led to the collapse of the exotic monarchical government.

The Case of Santo Domingo.

Again, during the period of our civil war certain Spanish politicians intrigued with the revolutionary party in Santo Domingo, and secured the offer to the Queen of Spain of the sovereignty over that island. Our administration, while it deplored the action of the

[1] "The Monroe Doctrine." J. B. Moore.

Spanish government, did not feel itself in position to make a strong or impassioned appeal to the Monroe doctrine, for it knew very well that we could not afford at that moment to quarrel with Spain over the sovereignty of Santo Domingo or any other island.

Mr. Seward said, in his instructions to Mr. Carl Schurz, then Minister to Spain:

"You are authorized and instructed to call the attention of the Spanish government to the subject, and, in such manner as you can adopt without impropriety, urge the necessity of a prompt and satisfactory explanation."

Later our diplomatic representative at Madrid, Mr. Preston, protested in a strenuous fashion against the absorption of the Dominican republic by Spain. His note to the Spanish Minister of Foreign Affairs deserves resurrection from the archives of the Department of State. Said Mr. Preston to the Spanish Minister of Foreign Affairs:

"The government of Her Majesty has declared the Dominican republic reincorporated with the monarchy.

"For forty years the Government of the United States has avowed its determination to resist any attempt to re-establish monarchical power over the republics of the New World, believing it essential to their independence and prosperity as well as to the interests and just rights of the United States to leave them free from all such intervention. It has always declared its intention to show a sacred regard for the remaining possessions of the European powers in America, and it has faithfully fulfilled that pledge. It made this declaration when Spain was torn by civil war and unable to defend her possessions in America against external force or ambition, and it was then acquiesced in, as a rule of justice and a welcome evidence of our friendship. It has manifested its sincerity by effective efforts to repress hostile expeditions against Cuba, and by letting its citizens perish in silence because they attempted to violate the rights of Spain. It has equally resisted any claim on the part of England, though under the color of ancient treaties, to establish any protectorate, found any new colony, or annex new territory in Central America.

"Spain, well knowing this policy, has constantly declared to the United States that it had forever abandoned all thoughts of re-establishing its power over its former possessions in America.

"Rumors having reached the government of the United States that designs existed for the re-annexation of Santo Domingo and Mexico, by means of intrigues with factions in those countries, the undersigned, in October last, demanded from the government an explanation and received the most satisfactory assurances that no thought was entertained of reconquering or re-establishing the power of Spain over her former dominions in America.

"Even within the last month your excellency assured me of the surprise felt by the government of Her Majesty at the events in Santo Domingo, though now, by the exposition of the Council of Ministers which precedes the decree, it appears that the measure has been long meditated and designed, and that Her Majesty, strongly moved by the wishes of the people of Dominica, has only been prevented from yielding to their desire by overpowering reasons of state.

"The exposition of the Council of Ministers does not specify what the reasons of state are which restrained the government of Spain for so many years in refusing to yield to the wishes of the people of Dominica and the Queen, but the coincidence of events shows, and the exposition of the Ministry admits, that they were of overpowering force for many years while my country was strong, rich, and united, and have utterly disappeared within the last month since it has been unhappily involved in civil war.

"The government of the United States felt that from its neighborhood, its commerce, and its power it had a just right to make such demands and receive such assurances.

"England, from its right of vicinity, based upon its possession of Gibraltar, recently demanded and required that Spain, before she would be permitted to make war upon Morocco, should give assurances that no conquest or objectionable annexation of territory should be made. Your excellency yielded to the demand and fulfilled the promise. The commerce of the United States in the Gulf of Mexico is greater by far than that of England in the Mediterranean, its territory indefinitely more vast, and its just right to intervene for the protection of its material interests more direct. We have received assurances equally satisfactory, but within this month they have been utterly violated.

"The annexation of the island professes to be in conformity with the will of the people, and upon this the exposition chiefly relies for support. The facts are that the Spanish troops and vessels were present simultaneously with the declaration of President Santana that the island was transferred to Spain, and that even now the government will have to send half as many troops as there are male inhabitants in the republic to quell the civil war which has broken out to resist the transfer of the republic by its chief. Still greater evils must ensue from the inevitable conflict with the people of Haiti, and the whole island will soon be subjected to the horrors of war. An act to annex the island under such circumstances, after an interval of eighteen days without the recognition of the revolution by any other power—a revolution in which the governors betray the governed and extinguish the government in utter violation of their trust—is termed an evidence of the free and spontaneous will of the people and the result of their unawed suffrages.

. . . . . .

"Under these circumstances the undersigned, as the representative of the government of the United States, protests against the seizure of the Dominican republic by Spain and informs your excellency that his government will consider itself free to resist the measure by all the means at its command, considering that Spain does not hold the island by the free will of its people,

but only occupies it without just right by military force. The government of the United States will never consent that Spain shall re-establish her dominion over the republics of the New World by supporting factions or parties within them or attempting to control their destiny. The undersigned declares that his government will never regard the republic of Dominica as a lawful acquisition by Spain, but a mere hostage, betrayed by its friends and seized by a former master, to be released hereafter by any generous hand whenever fortune presents an opportunity.

"The undersigned will communicate the final resolutions of Her Majesty's government to the government at Washington, but a proper sense of the interest and honor of his country compels him to withdraw from Spain until its course of action is decided."

Mr. Seward, on the same subject, addressed this language to the Spanish Minister in Washington:

"The President would not willingly believe that these proceedings have been authorized by your [government], and . . . I inform you in a direct manner that if they should be found to have received the sanction of that government the President will be obliged to regard them as manifesting an unfriendly spirit toward the United States and to meet the further prosecution of enterprises of that kind, in regard to either the Dominican republic or to any part of the American continent or islands, with a prompt, persistent, and, if possible, effective resistance."

It will thus be seen that our representative at Madrid was fully alive to the exigencies of the situation and that he acted with energy and promptness. He was not, however, sustained with equal vigor by the administration, and it does not appear that his note and his action received more than perfunctory approval at Washington. This can be readily understood, for the war cloud, with all its fury, had burst over this country and no one was disposed to give immediate heed to Spain or her operations in Santo Domingo. Before the time arrived in which we were prepared to demand satisfactory explanations from Spain another revolution occurred in the Dominican republic and a democratic form of government was re-established.

Modern European Views of the Monroe Doctrine.

Probably the most startling appeal to the Monroe doctrine was that made by President Cleveland in the case of the boundary dispute between Venezuela and England. There are, of course, two

strongly conflicting opinions as to the wisdom of our course in invoking the Monroe doctrine in the Venezuela boundary case. The view which generally obtained abroad concerning President Cleveland's message was that it was not justified. It was held that England was not trying to control the destiny of Venezuela nor endeavoring to establish new colonies there.

Many persons in this country thought the point at issue was simply a boundary dispute involving questions of geography and history and leading possibly to an ultimate change of ownership of tropical lands sparsely settled and likely to remain so, while it was assumed abroad that Mr. Cleveland expected both parties to the boundary dispute to accept his suggestions concerning arbitration.

Our government at that time seems to have held that through unjust or arbitrary modification of the boundaries of its colonial possessions on the American continent a European state might seriously curtail the territory of an American republic and in this manner gravely affect its destiny.

I do not think it was maintained by Mr. Cleveland or Mr. Olney that Great Britain would be bound to acquiesce in the decision regarding Venezuela's eastern boundary line which the commission appointed by himself might reach. "The sole purpose of that commission," says a partisan of Mr. Cleveland's course, "was to enlighten the conscience of our executive and the American people at large touching the Venezuelan question; whether the British occupation of territory was, as the Venezuelans alleged, purely arbitrary, or whether it was founded in international law and equity. Had the commission reported in favor of the British claim, the United States would have declined to assist Venezuela in repelling British aggression. Only in the event of the commission finding the British claim unfounded should we have felt it our duty to say that Great Britain must choose between arbitration and war."

It may be of interest at this point to note what leaders of modern thought in Europe think of the Monroe doctrine in general and of its application to the Venezuelan boundary case in particular. A distinguished French jurist and writer has recently published a book,[8] in which he formulates what plainly is the view of Continental Europe in respect to this country and its interpretation of Monroe's policy.

[8] "Les Etats-Unis et la Doctrine de Monroe." Hector Pétin.

Referring to the Venezuelan boundary dispute he declares that, in this connection, the Monroe doctrine had no bearing; that it had no more concern with the matter at issue than has theology with a question of mathematics. He thinks the enthusiastic reception of President Cleveland's message by a majority of the American people was a wholly ridiculous spectacle, and from the point of view of an international lawyer he finds the state of affairs at the meeting of the Paris tribunal of arbitration to be quite beyond comprehension. The treaty of arbitration, says the author, was an intervention between two states, one of which, it is useless to deny, had no reason whatsoever to figure in the question of arbitration. "It was a discussion of territory under the sovereignty of Venezuela and not under that of the United States. Yet the treaty was made between the latter country and England. In this manner the United States availed itself of a means and a vehicle of justice to put into execution an intervention which was absolutely illegal."

"The precedent," Dr. Pétin declares, "is very important in that it forces Europe to accept arbitration in the adjustment of boundary lines with American states and marks an ominous advance in the development of the Monroe doctrine." The stand taken by the United States in the Anglo-Venezuelan affair, it is extravagantly asserted, if consistently sustained, morally binds the United States to protect all American states and to act as arbitrator, and it is just one more step along this line of development, declares the French author, for the United States, in pursuance of the new interpretation of the Monroe doctrine, to drive European powers entirely out of America. And indeed this last step was taken, the critic thinks, when the United States decided upon intervention in the Cuban war. He naturally shares the continental view of that struggle and is wholly unable to credit the disinterestedness of the United States in espousing the cause of the Cubans, although he is compelled to acknowledge, after much scathing criticism of our course, that legally we had a right to interfere on grounds of humanity. As an outcome of the Cuban war, the acquisition of the Philippines is denounced by the critic as a bold stroke on the part of the United States, beyond the pale of all law and beyond the most extreme application of the Monroe doctrine. Yet in fairness he makes the acknowledgment that the results of the so-called American aggression have been in the interests of good government and of humanity.

Since the days of the Panama congress our French critic sees in the course of the United States and its interpretation of the Monroe doctrine little beyond an exhibition of the utter selfishness of this country. He says the smaller American states were early given to understand that not only were they to abandon all idea of receiving assistance and protection from the United States, but that they might even fear oppression from this country itself.

He finds in the attitude of the United States toward Yucatan a further emphatic example of this new phase of the Monroe doctrine. "In denying to Yucatan the right of its people to dispose of themselves the United States flagrantly violated the principles of international law, and from the early policies of Monroe, 'America for the Americans,' President Polk developed a policy of 'America for the North Americans!' "

I have quoted this last paragraph because it illustrates in a clear and truthful way the opinion respecting the United States and its ultimate purposes held by an intelligent, alert, but small minority in several of the Latin-American countries. This view was made unpleasantly apparent at times during the Spanish-American war, and there seemed to be, in places, a determined effort to create in the minds of uninformed people the fear and belief that the United States meant to set forth upon a policy of conquest which would involve the absorption of all the weaker nations on this hemisphere.

It is just to say, however, that in no instance was this ridiculous, though somewhat widespread, notion ever put forward, sustained, or suggested by any South or Central American government.

"Polk," continues the eminent French critic of the Monroe doctrine, "denied the right of a people to dispose of themselves. All of his successors, imbued with these same ideas, have applied the new doctrine in the same sense, making all bow before the egoistic interests of the United States. The doctrine thus transformed admits of no other interpretation. Just as in ancient times everything gave way before the Roman citizen, and in later times before the British subject, so now must everything give way before the citizen of the United States. In the first two instances imperialism holds sway and in the last Monroeism. To control the economic keys of the world is imperialism; to grasp the economic keys of America is Monroeism. The only difference in the two policies lies in the extent of their respective application. The limit of imperialism is the uni-

verse; the limit of Monroeism is America. The Spanish-Cuban war gave the people of the United States great advantages. Their victories transformed them into a great power. The conference of The Hague did even more. It recognized the Monroe doctrine. And without raising the question of the contradiction between the policy of imperialism pursued in the Philippines and the policy of Monroeism declared at the conference of The Hague, Europe permitted the United States to proclaim, once for all, 'the world and America for the Americans!' "

This exposition of the Monroe doctrine which I have just quoted will seem extreme and even fantastic, as no doubt in a sense it is, but nevertheless it represents a view of us and of our policy which is very widely entertained, and as such must be considered and soberly reckoned with. To me it seems more and more essential, as our intercourse with other nations grows, and as our interests more closely touch and affect their interests, that we should earnestly strive to comprehend fully the point of view of every other independent nation upon international matters. It is of importance to know what Europe thinks of the Monroe doctrine and the new meaning given to it from time to time.

Collection of Debts Historically Considered.

The Monroe doctrine is not international law and we have never claimed that it was. It is the fervent expression of an American policy—one that has grown to be part of the life and thought of the nation. Its strength lies, to a considerable extent, in its flexibility and in the wisdom which causes us to refrain from attempting to define it with precision and to draw it within specified metes and bounds. One sentence of President Monroe's message is still a good deal pondered throughout the civilized world. It is this: "But with the governments who have declared their independence and maintained it and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them or controlling in any other manner their destiny by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States." The phrase "for the purpose of oppressing them" may involve much of potential danger. Divers constructions

are put upon it, and it is scanned from many points of view. We say it means what it says, or, more precisely, that it conveys the meaning which was given it by Monroe and his colleagues when the message was written. To many thoughtful men south of us it means or seems to mean quite another thing. Certain Latin-American statesmen, men of much erudition and keen intellectual insight, construe this phrase to mean that no coercive measures may be exercised by European or other countries for the purpose of compelling payment of just debts of any sort. Their view of this phase of the Monroe doctrine is held more generally than is supposed. It has very lately been made the basis of important diplomatic correspondence between this country and one of the foremost republics of South America, a republic which, like several of its neighbors, is progressive, liberal, prosperous, and orderly, and which does not seek to evade any just obligations. President Roosevelt has declared upon more than one occasion with admirable lucidity and emphasis that we will not shield any nation from the consequences of wrongdoing. This is his answer and the answer of the American government and people to the suggestion that it is a violation of the Monroe doctrine to employ force against an American republic for the purpose of obtaining respectful consideration of just debts or of redressing real grievances. The only limitation which we put upon this expression is that there shall be no attempt on the part of the coercive power to acquire or permanently to control in any way the territory or destiny of an American republic. There was nothing in President Monroe's declaration to warrant anyone, so far as I can see, in inferring that when he spoke of the oppressing of American governments he referred to the collection of debts. Professor J. B. Moore says the idea that the employment of force to collect debts was contrary to the Monroe doctrine has its origin in Wharton's International Law Digest. In the section entitled "Monroe doctrine" the following sentence occurs:

> "The government of the United States would regard with grave anxiety an attempt on the part of France to force by hostile pressure the payment by Venezuela of her debt to French citizens."

The authorities cited for this statement are two alleged instructions written by Mr. Blaine to our Minister at Paris in 1881. The whole matter, however, is incorrectly stated. Both instructions are

published in the volume of foreign relations for that year, and they refer not to hostile pressure, but to a rumored design on the part of France of taking forcible possession of some of the harbors and a portion of the territory of Venezuela in compensation of debts due to citizens of the French republic, and nowhere occurs the erroneous paragraph cited, nor is mention made of the Monroe doctrine. The instructions merely urge that such a proceeding as that reported to be in contemplation would be unjust to other creditors of Venezuela, including the United States, since it would deprive them of a part of their security, and they express the solicitude of the government of the United States "for the object of averting hostilities between two republics for which it feels the most sincere and enduring friendship." It is plain, observes Professor Moore, that this conception of the Monroe doctrine, based upon the erroneous passage in Wharton's Digest, has no actual foundation whatever; and he takes occasion to state in this connection that the British proceedings at Corinto in no way involved either the Monroe doctrine or President Polk's interpretation of it. We have never undertaken to say that European powers should not settle their differences with the American republics by the use of force any more than we ourselves would abjure the right to employ it in extreme cases. In 1861 we made no objections to the demonstrations of the allies against Mexico for the purpose of collecting debts until it became evident that France had an ulterior purpose in her intention, namely, to establish a monarchical form of government.

In 1842 and 1844 Great Britain established a blockade of the port of San Juan, Nicaragua, and in 1851 she put an embargo on the traffic of the port of La Union in Salvador, at the same time declaring the whole country in a state of blockade. In 1862 and 1863 Great Britain seized Brazilian vessels as an act of reprisal. The ports of Mexico were blockaded in 1838 by France to obtain redress for unsatisfied claims. In 1845 ports on the coast of Buenos Ayres were blockaded by France and Great Britain for the purpose of bringing about the independence of Uruguay. For many years, beginning in 1865, Spain was at war with republics on the coast of South America, and the city of Valparaiso was fiercely bombarded by a Spanish fleet. A United States man-of-war in 1831 attacked and dispersed a pirate colony from Buenos Ayres on the Falkland Islands and set at liberty some of our citizens who had been arrested

and detained there for killing seals on the coast. In 1846 we went to war with Mexico; and in 1854 the commander of one of our men-of-war bombarded Greytown, and as a result secured an indemnity of $24,000 for the seizure and destruction of property, and obtained an apology for an insult to the American minister on the part of some of the inhabitants of the place. After the bombardment, in order to inculcate a lesson never to be forgotten, the naval commander burned all the buildings that were left standing. In 1859 we sent an expedition to obtain redress from Paraguay. In 1890, while the Pan-American Conference was in session, Congress passed an act to authorize the President to use force to collect a claim from Chile, and two years later we sent to that country an ultimatum to which she gave due heed.

Some Recent Discussion.

A French publicist professes to see in President Roosevelt's recent speech at Chicago a further extension of the Monroe doctrine. Attention is directed by the French writer to the word "control" as used by the President when he says "the acquisition of any control is really equivalent to territorial aggrandizement." The French view is that a serious dispute may arise as to the construction to be put upon the seizure of custom-houses of one of the debtor nations by the naval or military forces of a European power for the purpose of assessing or collecting fines or securing payment for just debts long overdue, and concerning which no satisfaction whatsoever can be obtained by ordinary and peaceable methods. It seems not to be generally understood that before Germany and England recently decreed a blockade of Venezuelan ports they sent an ultimatum to Venezuela, moderate in tone, offering to submit all doubtful and unadjudicated claims to arbitration. This request for arbitration, made in good faith, brought forth an evasive answer, an answer that has been made in substance many times before to similar representations, and one in which the element of straightforwardness was said to have been absent. England and Germany did not seize the custom-houses, refraining from this course, to some extent no doubt, in deference to our attitude and wishes. At least nothing bearing a resemblance to territorial occupation occurred.

Had a number of the custom-houses been seized temporarily and

moneys collected for the purpose of paying indemnities imposed by the allies as redress for grievances, no objection could have been taken to such a course by our government. The Monroe doctrine would not have been violated. But had the allies in Venezuela attempted to hold custom-houses, until all foreign claims of whatsoever nature had been satisfied and paid from customs receipts, it is quite safe to say that there might have resulted a good deal of popular anxiety in this country and very keen interest on the part of the government itself.

As money is thought to be the root of all evil, so it is one of the mainsprings of governmental activity, and no country can long exist without it. If a European nation, or a number of European nations acting together, were to take over and administer the customs and finances of a Latin-American country, contrary to the desire and will of its government, it would not require keen foresight to predict that in a few months the destiny of the country whose customs were being administered through foreign interposition would be in a large measure controlled by the agents of the alien creditors. In this wise, then, there might be evolved a situation fraught with danger to the peace of the world and full of menace to the spirit of the Monroe doctrine.

But we cannot deepen the meaning nor widen the scope of the Monroe doctrine without proportionately increasing our own responsibilities. The time may ultimately come when we shall have either to abandon some of our views respecting the Monroe doctrine or fight for them, and if I read aright the present disposition of the American people they will be slow to abandon any position they have taken in their international policy. Therefore, it behooves us to consider the Monroe doctrine in our most serious vein and to examine with scrupulous care every indication pointing to a change in its application and interpretation.

Problems of the Future.

The future is pregnant with embarrassing possibilities. Up to the present time we have been too busy to do more than to guess at the potential dangers that confront us. Our government wisely attempts to cross no bridges before it reaches them. Yet its leaders scan the horizon and they are not blind to some of the problems the

future may hold. Suppose, to make concrete a single example, the recently much-discussed Acre territory, between Brazil and Bolivia, had been strong enough firmly to establish an independent government; suppose, then, the people of that state had invited one of the continental powers to send a governor-general to rule it as a colony, or as a protected state under the dominion of a European monarch; suppose, too, that the people of Acre, or a very large majority of them, ardently desired this transfer of sovereignty or dominion, and that it were to take place. What then would be the position and attitude of the United States?

Take another example: Suppose Venezuela, under the stress of poverty, were to sell or lease for a large and wholly satisfactory price the island of Marguerita to France for a period of ninety years, would we maintain that Venezuela was not within her sovereign rights in selling or alienating a portion of her territory if she so chose? Or, leaving Venezuela, let us suppose, if you please, that some more potent Latin-American nation decided to lease important islands or harbors to European powers for naval or coaling stations, and we determined to resist the execution of the lease, sale, or tranfer. Should we not, in all probability, find our pretensions vigorously combated by two armed foes, each denying, from different points of view, our right to invoke the Monroe doctrine? Even these briefly suggested examples suffice to illumine the wide field of danger that may open before us when we shall attempt radically to alter the present meaning, scope or force of the Monroe doctrine.

Hostility to the Monroe Doctrine.

You are doubtless aware that at this moment there is in the United States a small but earnest band of opponents to the idea of further extension of the Monroe doctrine. This opposing point of view can not justly be excluded from a serious and honest consideration of the subject as a whole, no matter how little one may be in sympathy with it. Those who describe themselves as opponents of the Monroe doctrine profess to think the formulated policy of Monroe, as such, has had its day; they believe that no European country harbors the smallest design of obtaining sovereignty over any part of Central or North America, and that there is nowhere any disposition

to interfere with republican government in the new hemisphere. In short, the disciples of this school sincerely believe that we are in as little danger from European aggression as Europe is in danger of attack from the United States. They declare, and not without reason, that the democratic form of government is more likely to spread throughout Europe than is monarchical government to gain a foothold in the New World. So they say, "Let us abandon the Monroe doctrine in so far as it means anything more than our inherent right to self-defence and preservation; let us leave our neighbors south of the Caribbean Sea to their own defence and destiny; let us not be a dog in the manger and try to prevent the development and settlement in South America of great colonies by European immigrants."

It is eloquently urged that enormous advantages would accrue to our commerce and export trade in South America were those countries to receive in the next twenty-five years ten or fifteen millions of settlers or colonists from the Old World. South America is thinly peopled. Nearly a century of fierce domestic warfare has impoverished several of its countries and repelled both foreign immigration and foreign capital. In consequence of this unhappy condition, which in some instances shows no signs of favorable change, the progress of certain of these countries is arrested, civilization halts, and the reign of bloodshed and anarchy continues. Their markets to-day are of slight importance to the world, because there is little money with which to buy and few people to make purchases. Let Holland, England, Germany or other European countries have free access to South America and enough control merely to secure peace and careful administration of the government finances, then countries that have for centuries been given up to devastating war will be transformed into vast producing and consuming communities. Foreign capital and immigrants would pour into them; their vast resources would be developed; the soil, the forests, the mines, the pastures and prairies, the power of the great waterfalls, would all be utilized; new and mighty markets for the surplus products of the factories and farms of the United States and Europe would be created; and, better than all this, the people would rise to a new life—they would be uplifted, redeemed and regenerated by the irresistible genius of established peace and its concurrent civilization.

Is not this our true course of action, it is asked? "Would it not be better for all concerned were we to follow these lines? Why leave these people to walk in darkness! Why interpose the Monroe doctrine between them and this vision of a substantial and splendid destiny! Why subject for another century the unhappy people of certain countries, a majority of whom would welcome any government that promises stability, to the desperate existence they now lead under the dominion of military dictators! Why maintain the deplorable sham and shadow of republican government, when we all know that the reality never even existed! It has been a mere pretense from the beginning; the people have never governed themselves. They have been misgoverned in spite of themselves. We are proposing to make greater the Monroe doctrine for the sake of republics which in reality do not exist and which every intelligent man knows do not exist. Is it not about time to end the farce? What has our attitude of benevolent protection and our long effort at cultivating warmer and closer relations with certain of our sister republics accomplished for the world and for humanity?

"What is the record of desirable, specific achievement? No one affirms that we have made life sweeter or better worth the living in any of the Latin-American countries. We have not caused order to prevail nor the arts and sciences to flourish. We have not caused settlers to come, the forests to be conquered, nor the soil to be tilled. Judged by our standard of living and education, some of these republics are just where they were centuries ago, when the Spaniard ruled them for his own profit and pleasure."

This is the iconoclastic view of the Monroe doctrine, and I dare say we shall hear more of it. The people who hold it would have the United States government police parts of Central America and, in a military and naval sense, the Caribbean Sea, and then give no further heed whatsoever to the world south of its uttermost shores. Let us be paramount, with due regard to our neighbors in Mexico and Canada, from Alaska to the equator, and then let us think no more about South America and its relations to the rest of the world, say the opponents of the Monroe doctrine.

In spite of the reasons set forth by Americans and Europeans who think this government ought to abandon the Monroe doctrine, or at least to modify its application, this old policy seems more firmly intrenched in the hearts of the people of the country to-day than it

ever was, and nowhere is there evidence of immediate or widespread change of attitude respecting it.

Our position is described at times as paramount or supreme on this hemisphere, and in a commercial sense at least we may without vanity affirm this to be true. There is no doubt about our power and the place we occupy among the nations of the New World any more than there is about the respect we command in the councils of the Old World; but fortunately our position of supremacy on this hemisphere does not rest wholly upon military power or possible exhibitions of force. The policy of the United States, its attitude toward the Latin-American republics, is one of helpfulness and kindly interest. Our rule of action in respect to them is, as Mr. Hay has happily said, the golden rule. We have been generous, tolerant and sympathetic in the past, and we intend to pursue this line of conduct in the future. We have responded cordially to appeals from certain countries upon more than one occasion. We have spent many millions of dollars in protecting our own citizens in turbulent countries. We have, following the dictates of humanity, given asylum to many distinguished Latin-American citizens, rescuing them from political foes, and we have sheltered and protected hundreds of helpless women and children and transferred them on our war vessels to ports of safety. We have charted harbors, made expensive soundings, and established buoys in the interest of navigation, and we have endeavored to improve sanitary conditions in many ways and in many ports. From some of the citizens in these countries we have received encouragement, assistance, intelligent appreciation and cordial approval.

On behalf of a southern republic we flung down a challenging gauntlet before one of the mightiest nations the world has known, and voluntered to take the risk of war with its dire consequences at a time when we were ill-prepared for defensive or offensive operations. The outcome, however, was fortunate in that instead of a retrograding war the progressive principle of arbitration was evoked and further strengthened.

These things that we have done show our good-will and our unselfish purposes. We have respected the law and sovereignty of every government when it was possible to do so. We have tried to help those who are our friends in Central and South America, and who wanted our help, to become strong and efficient common-

wealths. We want them to attain great prosperity and power. We wish all of our neighbors well, and we want them to be plenteously endowed with the blessings of peace. No republic to the south of us can become too rich or too self-sustaining to suit the kindly purposes of this country. We want everywhere the spirit of genuine liberty to be alive among the people. We want to feel that they are profiting by what is good, noble and true in our national life. In this sense we hope to be paramount. We want all of the American republics to know that honest toil is dignified and ennobling. We want them to entertain a spirit of toleration in all matters and to understand that in union there is strength, and to know, too, that the genius of our civilization is individual development and endeavor. We want the ideas of civil and religious liberty and free education to have wide scope and abundant appreciation. We desire all of our Latin-American friends heartily to join us in supporting, urging and vitalizing the principle of international arbitration.

In these peaceful ways we may endeavor to Americanize the New World and perhaps the Old, not by the conquering power of the almighty dollar, not by manifestations of force, but rather by the dissemination of those lofty, civilizing agencies, those great principles, those fine ideals, those spiritual forces upon which our country was founded and upon which it has lived and had its being.

II. Relation of the Latin-American Countries with Each Other

Ethnic Factors in South America

By Talcott Williams, LL.D., Philadelphia

ETHNIC FACTORS IN SOUTH AMERICA

By Talcott Williams, LL. D.
Philadelphia

South America and North America are of nearly equal area, one 17,813,950 square kilometres and the other 19,810,200 square kilometres.[1] The equator runs not far from midway between them, though it crosses South America nearly a thousand miles south of its northern point. A very general impression in regard to both these divisions is that, while South America has the larger share of tropical lands, they both extend into the temperate zone and both are perpetually balanced against each other, as offering not dissimilar conditions. South America has a Spanish-American population and North America an English-American population for the greater share of its area. One has drawn its immigrant population in the past and during the present century from North Europe, and the other from South Europe. When men contrast the stability of government in North America as compared with its instability in Central and South America, there is in much popular and some technical discussion on the subject from either the historical or political standpoint, a general disposition to assume that the contrast is due to the superior capacity at self-government of the English-speaking as compared with the Spanish-speaking race. This overlooks altogether the definite, fundamental, geographical and ethnical facts in these two continents.

Instead of being similarly situated north and south of the tropics, the great mass of North America falls in a climate which encourages effort; while the great mass of South America falls in a climate which discourages it. One is essentially a temperate and the other a tropical continent. Neither parallels of latitude, near what are loosely called the tropics, definitely decide conditions of climate, either with reference to temperature, to rainfall or atmospheric

[1] Wagner und Supan. *Die Bevolkerung der Erde*, viii, 1891, p. xiii. In general, the figures in this article for population and area are drawn from this series.

saturation, which is more important than the aggregate of either of the other factors in its effect on the human type. At the same time, the parallel of 30° north latitude runs close to New Orleans, and of 30° south latitude which runs just north of the upper edge of Uruguay, dividing the Brazilian province of Rio Grande Do Sul, between the parts which have attracted German immigration and those which have not, may freely be said to separate regions in which tropical conditions overbalance temperate and those in which temperate conditions overbalance tropical. In the same way, the parallel of 50° of north latitude, which runs through Winnipeg, has below it everything which is likely soon to sustain a large population, and it is also the parallel which falls just above the end of South America. Large parts of North America above 50° will never be inhabited in Labrador, but large parts of this tract on the Pacific are certain to have a large population in the future and some tracts in Alaska balancing Labrador. The North-American continent has between the fiftieth and the thirtieth parallel of north latitude, one-half or 46.03 per cent of its area, or 9,118,635 square kilometres out of 19,810,200. In South America, on the other hand, out of a total area of 17,813,950 square kilometres, only one-eighth, 13.685 per cent, or 2,437,835 square kilometres, is between the thirtieth and fiftieth parallel. In other words, fully seven-eighths of South America is essentially tropical, while of North America only a little over one-half is either too cold or too hot to develop and maintain a stable civilization. Of South America, 77.115 per cent is north of the Tropic of Capricorn, or over three-quarters. Of North America, only a fourteenth or 6.96 is south of the Tropic of Cancer. South America has less than a fourth out of the tropics and North America thirteen-fourteenths. A large part of the area of North America south of the thirtieth parallel is also at the high average elevation of Mexico, considerably mitigating its geographical position; while South America, of all the world's continents, has the lowest average elevation; and in spite of the great range of mountains which runs along its western coast, has a larger tropical area nearer the surface of the ocean, the bed of a vast cretaceous sea, than any other tract of the earth's lands. North America is a continental region which has been slowly built up from the earliest paleozoic time over a broad determined and differentiated area; while South America represents instead the recent emergence of a great chain of mountains flanked

by the immense plain which stretches from the mouth of the Orinoco to the mouth of the LaPlata. Over all of this very slight changes of level would alter the course of streams. On it, so flat and level is the region, great masses of water stand at periods of flood, and a continuous water communication exists for months together at such a time from the Caribbean Sea to the South Atlantic.[2]

This geographical contrast is no less than the ethnic difference between the two continents. North America consists of a total population of about 90,000,000, in which at least 75,000,000 are white. South America has a population of some 40,000,000, in which it may be seriously doubted if over 8,000,000 are to-day of pure white blood. If the division be taken between the Spanish and English Americans, the disproportion will remain the same. From the Rio Grande, north over North America, there stretches a population to-day of about 81,000,000, in which the Indian is less than the delinquent and dependent population of three of our large states; while the negro population of about 9,000,000 constitutes the only bar to homogeneous ethnic conditions, and is but one-ninth of the whole. In South America, on the other side, the population is to-day from one-half to three-quarters Indian, with a white population not over one-fifth. What is really taking place in North America is that a white population, drawn from the most developed and prosperous countries of North Europe, is adapting, with more error and blunder than one could wish, familiar institutions to new conditions. What is taking place in South America is that a small white Spanish-speaking population, under odds of five or six to one, is endeavoring, in a region still containing either an aboriginal population or the mixed descendants of this population of negro slaves and of white half-breeds, to maintain and advance the civilization, the institutions and the traditions—many of them of the highest value to humanity—of the Latin races of South Europe.

It is a gross injustice if, in the comparative discussion of institutions, of national progress, and of civic stability in North and South America, these ethnic differences are not perpetually borne in mind and constantly considered.

Approximate statements are the utmost which can be ventured

[2] This distribution of area is of course only approximate, though the error is small. It has been ascertained by the familiar process of weighing the parts of a map traced on paper of even thickness.

in regard to South America in any ethnic demographic study. Its area, 6,803,570 square miles, is more thinly settled with its population of 40,000,000 than any other part of the earth's surface. It carries, as Dr. Siever's maps[8] show, the largest unexplored and uncrossed area on the globe outside of Australia and the Antarctic Continent. Outside of Chile, Argentina and Mexico, no census is more than an approximate estimate. In only the first of these countries are returns accurate. Terminology varies in different countries. A common classification and definition of mixed bloods exists between no two. Brazil, there is every reason to believe, has been of late stationary in population. Paraguay has a mere fraction of the inhabitants of half a century ago. Bolivia is probably stationary. Peru's increase is doubtful. In all these countries there is strong temptation to make neither estimates nor enumeration, and the last census in Brazil has been suppressed.

What is true of South America proper is true also of the entire Spanish-American region. Words deceive. In international relations, in current estimates of trade, and in the concepts of the public and of publicists, the Spanish-American region is treated as if it were similar, homogeneous and Spanish, not to say Latin. It is none of these things. These countries vary from Cuba, where two-thirds of the population is white, to Mexico where a fifth is of this character, to lands like Venezuela, Colombia and Bolivia where from 5 to 10 per cent is white. In Brazil, where the term white is loosely applied, some two-fifths, 42 per cent, is claimed as white in the census. In Argentina the proportion is still larger. In Chile there is a homogeneous population created by the full union of Spanish and Indian, the proportion varying in different ranks.

All Spanish-American countries grew through the eighteenth century. Since then they divide themselves into two classes with reference to growth; Mexico and Cuba in the north, Chile, Argentina and Uruguay in the south, have steadily grown. Grave doubt exists whether most of those between are at present or have for half a century increased in population. Paraguay lost a round 1,000,000 of its 1,258,000 during the Lopez wars. In some of these, the uncertain stability of order restricts growth. In others, as Brazil and Peru, causes not clearly apparent are at work. The North-American assumption of steady growth cannot be applied to tropical Spanish

[8] Petermann's *Mitteilungen*, 1900. Tafel xi.

America. The varying white population bears a close relation to the stability of administration. Cuba, which has the largest white proportion, no Indians, and the largest negro population, has a stable base for order. Mexico, with 19 per cent white, 43 per cent mixed and 38 per cent Indian, has for nearly a quarter of a century had a strong and stable government. This can scarcely be said until we reach Brazil and Peru, and scarcely of them. Argentina and Chile are as stable as Mexico and Cuba, and the proportion of white blood is larger in the former. Costa Rica is the least turbulent of Central-American states, and it has 10 per cent white. Compare this with Nicaragua, where the amount is trivial. If Brazil maintains stability over a wide area, it is because its white population is largest. If Venezuela, Colombia and Central America do not, it is because white population is smallest.

The source of the white population of Spanish America greatly varies. Cuba draws a steady immigration, largely Catalonian. Brazil is the only country to which immigration was constant in the colonial period. It came from Portugal and Galicia, with results apparent in type and temperament; and this immigration, as in the sixteenth century in Portugal, took kindly to both negro and Indian amalgamation. Venezuela early drew from the Basques, and President Castro reproduces a Basque type. Chile had its early immigration from the Biscayan provinces, and reflects their energetic and warlike temperament. Peru, it is said, drew from Andalusia. Pizarro came to Peru from north of Andalusia in Central Spain, from Estremadura. The Moors of Andalusia gave Argentina its double types of character, early taking to the horse and yet organizing rule over wide areas. Few sequences in history are more remarkable than that which brought to Chile the descendants of the Goth of North Spain and to Argentina the descendant of the Moor and Andalusian from South Spain, and pitted them against each other in a long struggle for supremacy in the new continent, a struggle which on both sides has reproduced many of the characteristic qualities of the earlier contest. These hints of origin are at best traditional. Yet it is clear, that Portugal has affected Brazil, Catalonia Cuba, the Basque provinces Venezuela, South Spain Argentina and Peru, and North Spain Chile, a fact which played its part in 1879-1881. Patient inquiry into the Spanish origin of Spanish-American population remains to be made, and Spain, it must be remembered, differs over its area more than other European countries.

The negro, in spite of a general impression to the contrary, is almost absent from the larger part of Spanish America. There are twice, perhaps thrice as many negroes in this country as in all Spanish America. They monopolize the field in Hayti and San Domingo, and are a third the total in Cuba. In Brazil negroes number over 2,000,000, more than in all the rest of Central and South America put together. Peru has 92,000 and Venezuela 50,000. In the latter the same arrest of population has fallen upon the negro as the white. The Indian population has disappeared in North America. He outnumbers the white in Spanish America; in most of its tropical lands five or six to one. In Argentina and Chile a great admixture of blood has come. The Auraucanian is on the whole the best of South-American stock, and it has blended with the white to the great benefit of Chile. Argentina has a river Indian Guarani and Calihaqui, and a plains Indian from whom comes the Guacho, both a poor stock for its metis, as is apparent in its history. Brazil's river population is of a type which had made no progress, and the same race stretches into Venezuela and Colombia, having probably come from the north or Carib race. In no one of these has the Indian produced substantive results in rule or industry. The docile industrial race, Quicha, which made Inca culture possible, has given Peru the labor with which its great railroad was built and its early rapid mining development secured. In a measure this is true of Ecuador, where the same race exists, less pure. The Maya, the keenest of Indian races since the conquest, has apparently had no part in post Colombian effects. The Aztec has given Juarez half the ancestors of Diaz, and colored and aided Mexican life. The bulk of what is loosely called Spanish-American is really Indian. The warlike Auraucanians, the less developed plains Indian of Argentina, the backward river stocks of the Amazon and the Orinoco, of similar type, the industrious Quicha in Peru, with the Aztec, the only Indian except the Iroquois capable of predatory empire, as distinguished from the Inca's industrial slavery, have plainly colored all South American lands. Nor is it without its interest that as Europe has had its long-headed race on the northern plains and a round-headed Alpine race in its mountains, so in South America the plains Indian has been long-headed and the more industrious mechanic race of the Andes is round-headed.

In Chile half its population is in cities, 1,240,353 urban

against 1,471,792 rural; this but reflects the Auraucanian capacity for the pueblo. In Argentina, a scattered aboriginal has brought a scattered metis population. In general the half-breed fills the city. In Guatemala, half the Landinos or white half-breeds are in cities. In general organization, Spanish America may be said to consist of a small directing white population in its city centres, an industrial half-breed race and a rural Indian population, with a background of tribes still savage. The independence of these countries began with the American-Spanish families revolting from the tyranny of royal governors, a tyranny which at length wore out Cuban loyalty. This early revolt and revolution for independence was succeeded by half-breed risings and strokes for power. Government to the end remains in Spanish hands, with here and there an exception as in Mexico.

Imperfect as this sketch is, it is presented because I know no place where an attempt has been made to correlate these facts or to collect a general statement of the effect of race in South America.

The Application of the Principle of International Arbitration on the American Continents

By Honorable John Bassett Moore, Professor of International Law, Columbia University

APPLICATION OF THE PRINCIPLE OF INTERNATIONAL ARBITRATION ON THE AMERICAN CONTINENTS

By Hon. John Bassett Moore

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According to present practice, the redress of national grievances may be pursued, first, by amicable methods; and, secondly, by force. Of amicable methods the most common is negotiation. There is nothing more conducive to the settlement of differences than a fair and candid discussion of them. Where this fails, we may yet try arbitration or mediation.

These methods are often discussed as if they were practically the same, but in reality they are fundamentally different. Mediation is an advisory, arbitration a judicial, function. Mediation recommends, arbitration decides. While nations might for this reason accept mediation in various cases in which they might be unwilling or reluctant to arbitrate, it is also true that they have often settled by arbitration questions which mediation could not have adjusted.

It is, for example, hardly conceivable that the question of the Alabama claims could have been settled by mediation. The same thing may be said of many and indeed of most of the great number of boundary disputes that have been settled by arbitration. The importance of mediation as a form of amicable negotiation should not be minimized. The Congress of Paris of 1856, as well as the Congo Conference of 1884, made a declaration in favor of the practice of mediation; and a formal plan of mediation forms part of the convention lately adopted at The Hague for the settlement of international disputes. Nevertheless, mediation is merely a diplomatic function and offers nothing new.

Arbitration, on the contrary, represents a principle as yet only occasionally acted upon, namely, the application of law and of judicial methods to the determination of disputes between nations. Its object is to displace war between nations as a means of obtaining national redress, by the judgments of international judicial tribunals;

just as private war between individuals, as a means of obtaining personal redress, has, in consequence of the development of law and order in civilized states, been supplanted by the processes of municipal courts.

In discussing the subject of arbitration we are therefore to exclude from consideration, except as a means to that end, mediation, good offices or other forms of negotiation. Our present subject—the application of the principle of international arbitration on the American continents—may be discussed in two aspects: (1) That of efforts to establish the general principle of arbitration, and (2) that of the actual trials of the principle.

One of the declared objects of the Panama Congress of 1826 was to promote the peace and union of American nations, and to establish amicable methods for the settlement of disputes between them; but, as is well known, the congress failed to accomplish this design. The project, however, was not wholly abandoned. It appealed too strongly to the imagination to be readily forgotten; and in 1831 Mexico revived it, by proposing a conference of American republics for the purpose of bringing about not only a union and close alliance for defence, but also the acceptance of "friendly mediation" for the settlement of disputes between them, and the framing and promulgation of a code of public law to regulate their mutual relations. This was not a proposal of a scheme of arbitration; but it may be observed that the adoption of a code of public law to govern the relations of nations would remove one of the greatest obstacles to the successful operation of a permanent tribunal for the decision of international differences.

In 1847 there assembled at Lima a congress composed of representatives of Bolivia, Chile, Ecuador, New Granada and Peru. The avowed object of this meeting was the formation of an alliance of American republics for the purpose of "maintaining their independence, sovereignty, dignity and territorial integrity, and of entering into such other compacts as might be conducive to their common welfare." At the first session of the congress it was decided to extend an invitation to the United States; but it is altogether probable that this resolution was taken with a view to bring to the attention of the United States the object of the conference, rather than with any hope that the invitation would be accepted. In reality the United States was then at war with Mexico, and was not in a

position to lend the weight of its influence to the preservation of the principle of territorial integrity. For a number of years after the Congress of 1847, efforts for union among American nations seem to have been confined to the Spanish-American republics, and in no small measure to have been inspired by a feeling of apprehension towards the United States, excited not only by the Mexican War, but also by filibustering expeditions, such as those of William Walker, against Mexico and the states of Central America. This feeling led to the making of the "Continental Treaty" of 1856 between Chile, Ecuador and Peru.

January 11, 1864, the Peruvian government invited the Spanish nations of America to take part in another congress at Lima, with a view to "organize into one family" the several republics of Spanish origin. Among the particular subjects specified for the consideration of the proposed congress was the adoption of measures which should lead to the amicable settlement of boundary disputes, which were declared to be in nearly all the American states the cause of international quarrels, of animosities, and even of wars as disastrous to the honor as to the prosperity of the nations concerned; and to this was added the explicit proposal "irrevocably to abolish war, superseding it by arbitration, as the only means of compromising all misunderstandings and causes for disagreement between any of the South-American republics." The congress met at Lima, November 14, 1864, the anniversary of the birth of Bolivar. Representatives were present from the Argentine Republic, Bolivia, Chile, Colombia, Ecuador, Guatemala, Peru and Venezuela.

September 3, 1880, a convention was signed at Bogota between the governments of Chile and Colombia, by which the two republics bound themselves "in perpetuity to submit to arbitration, whenever they cannot be settled through diplomatic channels, all controversies and difficulties, of whatever nature, that may arise between the two nations." It was also stipulated that the contracting parties should endeavor, at the earliest opportunity, to conclude similar conventions with other American nations, "to the end that the settlement by arbitration of each and every international controversy should become a principle of American public law." On the strength of the signature of this convention, the Colombian minister of foreign relations, October 11, 1880, extended to the governments of America an invitation to appoint representatives to meet at Panama with full

powers to give to the convention full international effect. This invitation was necessarily rendered nugatory by the continuance of the Chile-Peruvian war. November 29, 1881, however, Mr. Blaine, as secretary of state of the United States, extended, in the name of the President, an invitation to all the independent countries of North and South America to participate in a general congress to be held in Washington on the twenty-fourth of November, 1882, "for the purpose of considering and discussing methods of preventing war between the nations of America." Mr. Blaine added that the President desired that the attention of the congress should be "strictly confined to this one great object." On the ninth of August, 1882, Mr. Frelinghuysen, Mr. Blaine's successor, gave notice that the President was constrained to postpone the projected meeting till some future day. As one of the grounds for this action he stated that the peaceful condition of the South-American republics, which was contemplated as essential to a profitable and harmonious assembling of the congress, did not exist. The original proposal, however, was never entirely relinquished; and on May 28, 1888, the President gave his approval to the act under which was convoked the International American Conference of 1889-1890. Of this conference one of the results was the celebrated plan of arbitration adopted April 18, 1890. By this plan it was declared that arbitration, as a means of settling disputes between American republics, was adopted "as a principle of American international law"; that arbitration should be obligatory in all controversies concerning diplomatic and consular privileges, boundaries, territories, indemnities, the right of navigation and the validity, construction and enforcement of treaties; and that it should be equally obligatory in all other cases, whatever might be their origin, nature or object, with the sole exception of those which, in the judgment of one of the nations involved in the controversy, might imperil its independence; but that, even in this case, while arbitration for that nation should be optional, it should be "obligatory upon the adversary power." As yet this plan represents but an aspiration, since it failed to receive the approval of the governments whose representatives adopted it.

In connection with the plan just described, it is essential to recall the deliberations of the conference on the subject of conquest, which bore, in its final disposition, a vital relation to the plan of arbitration. The delegates of the Argentine Republic and Brazil offered,

January 15, 1890, a series of resolutions, the eighth article of which reads as follows: "Acts of conquest, whether the object or the consequence of the war, shall be considered to be in violation of the public law of America."

The resolutions were referred to the committee on general welfare, which, April 18, 1890, recommended the adoption of the following declarations:

"1. That the principle of conquest shall never hereafter be recognized as admissible under American public law.

"2. That all cessions of territory made subsequent to the present declaration shall be absolutely void if made under threats of war or the presence of an armed force.

"3. Any nation from which such cessions shall have been exacted may always demand that the question of the validity of the cessions so made shall be submitted to arbitration.

"4. Any renunciation of the right to have recourse to arbitration shall be null and void whatever the time, circumstances, and conditions under which such renunciation shall have been made."

These declarations were subscribed by three members of the committee respectively representing the Argentine Republic, Bolivia and Venezuela. Three other members representing Colombia, Brazil and Guatemala stated that they adopted only the first of the declarations.

Mr. Varas, a delegate from Chile, stated that the delegation from that country would abstain from voting or taking part in the debate on the resolutions.

Mr. Henderson, a delegate from the United States, offered, as expressing the views of the United States delegation, the following resolution:

"WHEREAS, In the opinion of this conference, wars waged in the spirit of aggression or for the purpose of conquest should receive the condemnation of the civilized world; therefore

"*Resolved,* That if any one of the nations signing the treaty of arbitration proposed by the conference, shall wrongfully and in disregard of the provisions of said treaty, prosecute war against another party thereto, such nation shall have no right to seize or hold property by way of conquest from its adversary."

After a long discussion, in which the delegate from Peru supported the recommendation of the committee as a whole, the report

was adopted by a majority of 15 to 1. The delegations voting affirmatively were Hayti, Nicaragua, Peru, Guatemala, Colombia, Argentine Republic, Costa Rica, Paraguay, Brazil, Honduras, Mexico, Bolivia, Venezuela, Salvador and Ecuador. The United States voted in the negative while Chile abstained from voting.

Further discussion then took place, after which a recess was held in order that an agreement might be arrived at which would secure the vote of the United States delegation. On the session being resumed, Mr. Blaine presented the following plan:

"1. That the principle of conquest shall not, during the continuance of the treaty of arbitration, be recognized as admissible under American public law.

"2. That all cessions of territory made during the continuance of the treaty of arbitration shall be void if made under threats of war or the presence of an armed force.

"3. Any nation from which such cessions shall be exacted may demand that the validity of the cessions so made shall be submitted to arbitration.

"4. Any renunciation of the right to arbitration made under the conditions named in the second section shall be null and void."

The conference unanimously agreed to accept this as a substitute for the former report, Chile abstaining from voting. But, as the plan of arbitration never became effective, the declaration against conquest, which was made an integral part of it, can now be cited only as an expression of opinion.

In the Second International Conference of American States, which was held at the city of Mexico from October 22, 1901, to January 31, 1902, the subject of arbitration was much discussed. There appeared to be a unanimous sentiment in favor of "arbitrations as a principle," but a great contrariety of opinion as to the extent to which the principle should be carried. On this question three views were supported in the conference:

"1. Obligatory arbitration, covering all questions pending or future, when they did not affect either the independence or national honor of a country;

"2. Obligatory arbitration, covering future questions only and defining what questions shall constitute those to be excepted from arbitration; and

"3. Facultative or voluntary arbitration, as best expressed by The Hague convention."

The delegation of the United States advocated the signing of a protocol affirming the convention for the pacific settlement of inter-

national disputes, signed at The Hague, July 29, 1899, as the best practicable plan for securing unanimity of action and beneficial results.

A plan was finally adopted in the nature of a compromise. A protocol looking to adhesion to The Hague convention was signed by all the delegations except those of Chile and Ecuador, who are said, however, afterwards to have accepted it in open conference. By this protocol authority was conferred on the governments of the United States and Mexico, the only American signatories of The Hague convention, to negotiate with the other signatory powers for the adherence thereto of other American nations so requesting. Besides, the President of Mexico was requested to ascertain the views of the different governments represented in the conference regarding the most advanced form in which a general arbitration convention could be drawn up that would meet the approval and secure the ratification of all the countries in the conference, and afterwards to prepare a plan for such a general treaty and if possible to arrange for a series of protocols to carry it into effect; or, if this should be found to be impracticable, then to present the correspondence with a report to the next conference.

A project of a treaty of compulsory arbitration was signed by the delegations of the Argentine Republic, Bolivia, Santo Domingo, Salvador, Guatemala, Mexico, Paraguay, Peru, Uruguay and Venezuela.

Besides the protocol and project of treaty above referred to, a project of treaty was adopted covering the arbitration of pecuniary claims. This project was signed by the delegations of all the countries represented in the conference. Under it the several republics obligated themselves for a period of five years to submit to the court at The Hague all claims for pecuniary loss or damage which might be presented by their respective citizens, and which could not be amicably adjusted through diplomatic channels, when such claims were of sufficient importance to warrant the expense of arbitration. Should both parties prefer it, a special jurisdiction might be organized according to Article xxi of The Hague convention. By Article v the project is to be binding on the states ratifying it from the date on which five of the signatories have so ratified it.

Such have been the efforts on the part of American nations to concert among themselves a plan for the settlement of their dif-

ferences by arbitration. The fact that these efforts have not yet resulted in the effective establishment of a definite and permanent system, to which all American nations may look with confidence, as a sure and ready means of avoiding armed conflicts, is due, not to any lack of serious purpose, but to the inherent difficulties of the task. The American nations, though they have felt a common impulse to act together in safeguarding their independence against attacks from other quarters, have not been unconscious of the existence among themselves of strong diversities of interest and of ambition. To these diversities are to be ascribed some of the conflicts that have marked their history during the past eighty years. Another fruitful source of strife has been the unsettled condition that has often prevailed in their internal politics. A slight familiarity with history suffices to show that the preservation of international peace is to a great extent dependent upon the preservation of domestic peace. Civil disturbances not only produce exceptional measures, which in turn give rise to complaints and claims, but they render uncertain the performance of international engagements and sometimes necessitate the readjustment of international relations. Against difficulties such as these American statesmen and diplomatists, in endeavoring to establish a system of arbitration, have been obliged to contend; and if their highest aspirations yet remain to be fulfilled, they have at least promulgated an ideal and projected it into the domain of practical statesmanship.

Turning from plans for the establishment of a general system, to the consideration of the cases in which the principle of arbitration has actually been employed, we find that there were during the past century eighty-four international arbitrations to which an American nation was a party. In forty, or nearly one-half, of these the other party was a European power, the arbitration between American nations being forty-four. To about two-thirds of these the United States was a party, the number of arbitrations between other American powers being fourteen. Of this number, there were ten that related to questions of boundary. In respect of such questions, one of the objects of the Lima conference of 1864 may therefore be said to have been in a measure attained. It is proper, however, to point out that in the settlement of boundary disputes by arbitration, there is nothing distinctively American. The same method has repeatedly been employed by European powers, both in Europe and elsewhere,

for the termination of similar controversies. Indeed, we should not forget that, while others were discussing arbitration, it remained for a European ruler to take the initiative in the movement that resulted in the actual establishment of the first general and permanent plan for the peaceful settlement of international disputes. On the other hand, the first powers to resort to The Hague Tribunal were two American nations, the United States and Mexico. From these premises, the logical inference seems to be that in looking forward, as we reasonably may, to a yet wider application of the principle of arbitration by American nations, we should base our expectations not more upon distinctively local movements, than upon a more general tendency throughout the civilized world to employ judicial methods for the decision of international questions.

When we consider the future of international arbitration, whether in America or elsewhere, we are at once confronted with the question as to its limitations. Is it possible to fix any precise bounds, beyond which this mode of settling international disputes may be said to be impracticable? If we consult the history of arbitrations during the past hundred years, we are obliged to answer that no such lines can be definitely drawn; but this is far from saying that the use of force in the conduct of international affairs is likely soon to be abolished. It signifies merely that phrases such as "national honor" and "national self-defence," which have been employed in describing supposed exceptions to the principle of arbitration, convey no definitive meaning. Questions of honor and of self-defence are, in international as in private relations, matters partly of circumstance and partly of opinion. When the United States, in 1863, first proposed that the differences that had arisen with Great Britain, as to the fitting out of the *Alabama* and other Confederate cruisers, should be submitted to arbitration, Earl Russell rejected the overture on the ground that the questions in controversy involved the national honor, of which Her Majesty's government were declared to be "the sole guardians." Eight years later there was concluded at Washington the treaty under which the differences between the two governments were submitted to the judgment of the tribunal that met at Geneva. This remarkable example serves to illustrate the fact that the scope and progress of arbitration will depend, not so much upon special devices, or upon general declarations or descriptive exceptions, as upon the dispositions of

nations, dispositions which, although they are subject to the modifying influence of public opinion, spring primarily from the national feelings, the national interests and the national ambitions. Of the existence of favorable dispositions, the usual and appropriate evidences are: (1) the actual resort to arbitration; (2) the loyal acceptance of its results, and (3) the faithful performance of the award—the three essential conditions of the success of any arbitral plan.

Latin America and the Mexican Conference

By Honorable William I. Buchanan, formerly United States Minister to Argentine Republic

LATIN AMERICA AND THE MEXICAN CONFERENCE

By Honorable William I. Buchanan
Formerly United States Minister to Argentine Republic

In considering the development of the Latin-American republics and the part they took in the Mexican Conference, it is well to begin by trying to fairly measure the disadvantages our southern neighbors have had to contend with in their upbuilding.

It is a trite saying, and a perfectly true one, that we know less about Central and South American governments and people than they do of us, and it could be said of us with equal fairness that our criticism of them is usually in inverse ratio to our knowledge concerning them. Difference in language, life and blood, and the absence of national acquaintance thus brought about, coupled with their ports being almost "Tierra Nueva" to our shipping, explains, but does not justify this.

The general public relies almost wholly upon the press for its information and opinions concerning the outside world, and hence it is to be expected that in their views on South and Central American matters the great bulk of our people reflect the opinions of those who write concerning such subjects. As an instance of how public opinion through the exuberance of a writer's language may be unwittingly led to an erroneous conclusion regarding Latin-American conditions and prospects I recall an article in a recent number of the *North American Review* over the signature of "An American Business Man," in which the governments and people of the Latin-American republics are very generally written down as failures. It is true that the writer has been considerate enough to except Mexico, the Argentine Republic and Chile from his otherwise specific conclusions concerning the general incompetency of all, but he does even this in such an inconspicuous manner that the impression is easily left on the reader's mind that the writer's opinion as to the ultimate salvation of all Latin America is an extremely pessimistic one.

I refer to this article chiefly because of the manifest unfairness of the writer's attitude in discussing the subject and because I be-

lieve his conclusions represent the views of many of our people who depend upon their general reading for their knowledge.

The internal troubles and financial difficulties that have, and still, beset many of the republics south of us are explainable when approached in a fair and just manner; and when looked at from that point of view they do not—as many believe they do—appear destitute either of reason or excuse. Several of these republics are nearing three-quarters of a century of existence; almost all have passed their half-century milestone. The governmental machinery of practically all was modeled from our own. They adopted constitutions not only like, but, in some instances, broader than our own. They believed that the republican form of government they set up when they secured their independence was the only one worthy the aspirations of a people, and in this we encouraged them, and do so still. In many ways they followed in our footsteps, anticipating that the same results would follow in their several countries that would follow, and that have followed, in our own. They did what they could abroad—as we did—to attract the attention of emigrants and capital to the undeveloped riches lying within their several countries. They borrowed great sums of money abroad—as we did —and built railways and public works, or granted to eager and willing foreigners concessions therefor under preposterous conditions which have since caused them much trouble. They created customs tariff laws to create revenue and encourage the building up of home industries, as we have done. In a word, they did in these things all and more than we have done to attract immigrants; and still, to their surprise, regret, and, in several instances, their financial undoing, neither immigrant nor capital came to them to any even remote degree comparable with the story of our own country, into which both have poured in a constant and still unending stream. Capital only went to them in large amounts in connection with the development of their early schemes for railways and public improvements, and as these in almost every instance did not bring the immigrant, as it was expected they would do, the population and resources of the different countries have in consequence, with possibly the exception of the Argentine Republic and Brazil, remained practically normal during the past thirty-five years, while their interest accounts and their debts abroad, known by those from whom they borrowed to have been at that time in excess of

their ability to pay, have steadily increased. With such conditions no other result than financial distress could be expected to follow.

The financial difficulties thus forced upon the people of the different republics naturally brought forward in each all sorts of solutions and behind these all sorts of men, just as happens everywhere, and many of these left in their wake political scheming and internal troubles and uprisings, ending many times in great loss of life and in an increase of debt, deprivation and suffering.

In several instances there were added to these troubles the war preparations, and the great expense these entailed, incident to the violent discussions engendered through the many attempts made to settle the interminable boundary disputes each country came into possession of at the time of its independence, as an inheritance from the mother country. These boundary lines were originally not of vital importance, being but the limits of the authority of the different viceroys, as they were named, and hence they were not definitively or clearly specified when the republics were formed. On the western coast of South America still another trouble was added to all these—the Chilean-Peruvian-Bolivian war, from which questions arose which are yet unsolved.

No one can be surprised, with the above outline before him, to find that almost all of the countries south of the United States and Mexico have an enormously large foreign debt, when their resources and population are considered; that several are in the midst of financial difficulties concerning the payments due to those who built their railways and public works, or, that as a result of their sparse population and their limited resources of all kinds, all have been unable to accomplish to any degree, either materially or intellectually, what they expected to be able to do with the governmental machinery they put into operation when they set out on the road of self-government.

Growing out of their many troubles, a current belief has arisen that the larger portion of Latin America is a garden of revolutions; and, hence, that no particular use for arbitration should be expected to be found there, or that they have practiced, or will practice, in the adjustment of their difficulties, recourse to that method for the settlement of disputes. Neither of these beliefs is true. While there has been much disorder among them it has been largely the natural result of the economic causes and conditions to which I have referred,

coupled with the difficulty they themselves have found—and admit—of adjusting republican forms and procedure to the uses of a small, almost unblended and scattered people covering wide territories, who have had ingrained in them for centuries monarchical forms; but, while this is true, I doubt that any one would even now be found willing to say that because of this it was unfortunate that republican forms of government were set up by the different countries in question, or that it would not be now more consistent with our ideals to encourage and assist them rather than to unintelligently criticise them.

It seems but fair that those who criticise these countries for the relatively small material advance they have made, when compared with our own, should face the facts and circumstances that have surrounded the history of each. If this were done it is reasonable to believe that, instead of criticism, a cordial commendation of the many sincere efforts each has made to accomplish something of good for their people and toward the building up and working out of republican institutions on this continent, would result. That they have accomplished no more than they have is regretted by their public men more than by any of us, and their ideals, aspirations and hopes for the future of their different countries are as high and as sincere as are those of any of us with regard to our own. But great progress has been made in each as the commercial statistics of the world will more than show.

There is in each of these republics a strong and steadily increasing element of men of high ideals; men of character, of honesty; men desiring only peace, tranquillity and good order within their country and the development of its lands, mines and industries and the upbuilding and elevation of their people. The influence of this element upon the people as a whole, and upon all branches of their government, is being constantly and growingly felt, as every one knows who keeps in personal touch with the public affairs of these republics.

Some of us are so occupied with criticisms of these countries and of their prospects, and so deeply engaged in the self-appointed task of trying to convince ourselves that because Germany and England have ships, banks and people in these republics that they, therefore, must have sinister designs upon them, that we entirely

overlook the fact that we have neither ships, banks nor people, beyond a handful of the latter, in any of them.

While criticism is no doubt healthful and good when directed at others and not at ourselves, a helpful lift is more effective, and, generally, more gracefully received. If one will but take a moment and read over a list of the banks in South and Central America, many paying 25 per cent in profits, glance at the directories of their railways, some of which pay 6 per cent steadily on their stock, and then take a steamship map of South America and read the names of the lines of ships touching there and the home ports of these lines, he will cease to be, if he ever was, particularly proud of the general commercial position occupied therein by the United States, and more inclined to agree that England and Italy and France and Germany are entitled to all they have commercially attained or that they may attain therein by the influence of their people, shipping, railways and banks.

The boundary disputes of which I have spoken, and the war preparations and the great expense these entailed, have done more, in my judgment, to keep immigrants and capital out of many of the republics south of us than have all other reasons combined. One must not conclude that these long-drawn-out disputes, that have financially crippled some of the republics, indicate that Latin America has not been or is not willing to apply arbitration to these questions. This is not true, as the records of the two Pan-American Conferences that have been held will abundantly bear out. While this is so, it is equally true that at the Mexican Conference there existed a marked divergence of views between the countries represented concerning the extent to which the obligation to arbitrate should go. The subject was approached by the delegates from all the republics with fairness and frankness, the general temper of the conference being reflected by the Mexican minister of foreign affairs, Senor Mariscal, when he said at the assembling of the conference:

"I am certain you will do your utmost to avoid a spirit of dissension, whether it springs from concrete questions or from traditions or instinct. The love of our own country and our absolute identification with it are undoubtedly obligatory virtues and among our most sacred duties. While such is the case, we should not be so blind as not to recognize the rights of others. The truth is that

when we treat of matters of such transcendent importance we ought to forget that we belong to this or that section of the continent, so that in our actions there should appear neither South, Central nor North Americans, but only *Americans* in the broadest meaning of that word."

It may not be generally known or appreciated that the Latin-American republics have taken part in nine conferences and congresses, in each of which they joined in the resolutions or treaties that were adopted or agreed to, strongly urging upon the governments represented the application of the principle of arbitration to all their international questions; or, that the principle of arbitration has been specifically recognized and accepted by the Latin-American republics in more than sixty treaties made between themselves or with other nations. Both statements are, however, true.

Every delegate to the Mexican Conference was ready to assent to a treaty in which the principle of arbitration should be recognized; some, however, wanted to go farther and secure the acceptance of obligatory arbitration. These were divided, however, as to the extent to which the obligation to arbitrate should go. Peru, for example, was in favor of a treaty without any reservations in the obligatory clause, and desired that it should include "pending questions" as well. Mexico, on the other hand, desired that "independence" and "national honor" should be excepted from the operation of the obligatory clause; she desired, however, to define a list of subjects which were not to be considered as within the meaning of the term "national honor." Venezuela desired a reservation covering questions involving her rivers, while several of the delegations were willing to consent to an obligatory clause if it excepted questions affecting their "independence" and "national honor," omitting, however, Mexico's proposed definition of what should not be considered questions of "national honor."

This divergence of views as to the scope of the obligatory clause made it impossible for the majority to fully agree upon a form of treaty, since it was argued by those wishing a clear-cut obligatory clause that the words "independence" and "national honor" were of such an elastic character that they could be easily construed in an obligatory treaty containing them as being equivalent to "voluntary" arbitration, in fact.

The position of the United States delegation—that of opposi-

tion to an obligatory treaty—was looked upon as strange, since at the first conference our delegation advocated and voted for obligatory arbitration, whereas Mexico and Chile did not. Since that time, however, we seem as a people to have agreed that while obligatory arbitration might be a blessing to the world if carried out, that it is impracticable between nations owing to the absence of any motive power to bring about its use outside the two countries interested, since no matter what the character of the obligatory clause might be, there exists no power to force a country to carry out a general treaty obligation to arbitrate a case when it is believed its independence, its national life or interests would be jeopardized by such a recourse. Indeed, this view is apparently becoming well established, since but few of the seemingly large number of so-called obligatory arbitration treaties that have been signed during late years merit that classification, referring as they do in a majority of cases only to specific questions clearly understood and outlined by and between the signatory countries. The most complete form of a general obligatory arbitration treaty of which I have any knowledge was that signed about six years ago between Italy and the Argentine Republic. That treaty, however, has not yet been approved by the Argentine Congress. When it was submitted to the Argentine Senate that body amended it by excluding from the obligatory clause questions affecting the "constitution" of either of the two contracting countries. With that amendment it passed to the Argentine Chamber of Deputies, where it still awaits action.

It is certainly apparent that such exceptions and especially the words "national honor" and "independence" are susceptible of so wide a construction as to easily permit a country that may have signed a treaty containing them as exceptions to its obligatory clause, to find in them ground upon which it could decline to arbitrate a vital question, and it is difficult to conceive of such a question arising between two nations in which "national honor" would not finally occupy a chief place.

In view of the difficulties these considerations brought to the subject of arbitration in the conference, and guided by a desire to see something accomplished of a practicable character and a result secured that would place the countries composing the conference by the side of those of the Old World in the march toward the pacific settlement of international disputes, the United States delegation early

reached a conclusion that the highest good of all would be secured, and the greatest advance made, if the adherence of all the countries represented at the conference could be secured to The Hague Convention; that while that convention was sometimes referred to as being meaningless and without force, it stood as a high-water mark in international arbitration and as the best stepping-stone toward peace; and that the adherence of the American republics to that convention, and their participation in the tribunal it created, would strengthen the latter, extend its influence, and add much to the wide sentiment in favor of the pacific settlement of international questions. This view met some opposition from those in favor of an obligatory form of treaty, but as time went by and the wisdom of harmonious action in the conference on so important a subject became clearer, all sought so far as they could within their instructions to find a satisfactory solution that would lead to practicable results and in which all could join. A common ground was finally found upon which all were in more or less full accord. By the plan adopted a discussion of the general topic of arbitration, with all its possibilities for discord, was avoided in the conference, and, also, a direct vote between the adherents of obligatory and voluntary arbitration made unnecessary. The plan agreed upon was finally brought to a happy conclusion through the efforts and good-will of all the delegates, and a valuable and long-to-be-remembered conference of the western republics thereby concluded in a spirit of cordial confidence and good-will. The results secured by the conference were not, however, limited to the adherence of all the republics of this continent to The Hague Convention, nevertheless that one fact would have marked the conference as memorable. Two other parallel results were obtained. One of these was the signing between nine of the countries represented, in addition to their signatures to The Hague Convention, of a joint treaty by which they obligated themselves to arbitrate their differences; and the other was the signing of a protocol by every country represented in the conference, binding each for five years to submit to arbitration the pecuniary claims of their respective citizens against any of the other signatory governments, when such claims cannot be adjusted through diplomatic channels. This protocol is believed by many to have been one of the most important results of the conference, and it is a satisfaction to those who believe in the principle put into operation through

it, to know that this view is evidently shared in by the United States Senate, since the protocol of which I speak was reported without amendment to the Senate at its last session by the committee on foreign relations, and will, let us hope, be adopted by Congress at its next session.

Evidences of the growth and progress of the southern republics and of the strong desire felt by the people of Latin America to push their troubles behind them and to build up their countries in peace and quiet are not lacking. As an instance, the amicable and definitive settlement of the long-standing boundary dispute between the Argentine Republic and Chile may be cited, followed as it has been by the glad return of the people of both countries to the peaceful pursuits of labor and to the development of their farms, mines and factories.

Some day emigration to our country will cease. Before that day arrives it will set in toward South and Central America and with that current of people and capital all the internal troubles and financial difficulties that have beset, and still weigh down, the republics therein will be carried into history and the material and intellectual development now in progress there will be given an impetus that will not only be lasting, but, as well, a realization of the efforts and faith of their public men who have so patiently and under such great disadvantages labored to that end.

The Position of Peru in South-American Affairs

By Senor Don Manuel Alvarez Calderon, Envoy Extraordinary and Minister Plenipotentiary of Peru

THE POSITION OF PERU IN SOUTH-AMERICAN AFFAIRS

By Senor Don Manuel Alvarez Calderon

Envoy Extraordinary and Minister Plenipotentiary of Peru

There is a mistaken idea prevalent in the United States concerning the countries of Latin America. Whenever they are spoken of, it is to present them as communities living in a perpetual state of turmoil and disorder. The slightest political commotion is instantly reported as a great revolution, and not only is the offending country taken to task for thus disturbing the peace of the continent, but nine times out of ten the whole race is made responsible, while indiscriminately all of the several republics are condemned. These political commotions are becoming less frequent in the greater part of the southern hemisphere, and I feel happy to think that Peru ranks among the nations of our continent that have entered upon an era of political stability. Internal peace is to-day an accomplished fact; its blessings have brought such a change in the whole aspect of the country, that the Peruvian mind can no longer bring itself to conceive the possibility of once more returning to the old system of appealing to force and making it the supreme arbiter in the settlement of political differences. All this fortunately is a thing of the past; at present our Presidents are legally elected and the change of administration is no longer a pretext for an uprising.

But few persons have investigated the progress that Peru has attained, and but few know what security the country offers in respect to life and property, and what opportunities there are for such as would settle and make their homes there. An investigation of these facts would be of the greatest utility because it would destroy the false idea that exists generally and because it would lead to a better appreciation of a country that has ever been friendly toward the United States.

At the time of the conquest by Pizarro and his brave and adventurous Spanish followers, an ancient empire extended over the western part of South America from the Pacific Coast to the eastern slope of the Andes, having a peculiar civilization of its own, that

originated and developed without contact with European civilization. The signs of this civilization are still visible and have been the subject of research by the learned societies of the world; they are to be found in their religion and their scientific knowledge of astronomy; in the ruins of the many monuments; in the remains of the great highway along the central Andean plateau, from Quito to Cuzco, and from Cuzco to the south; in the traces of the canals and irrigation works along the coast and in the mountain slopes; in the utensils, implements and garments that were used by the natives, that attest to their knowledge of several arts; in their political and social organization, that is the source of wonderment even to this day, and is in many respects the nearest approach the world has ever seen to a community living according to socialistic ideals.

As a colony of Spain, Peru continued to occupy the same position. She was selected for the seat of the viceregal government and declared the most precious jewel in the crown of Castile. The marvelous fertility of the soil, the mineral wealth contained in the mountains and revealed by the splendor of the Inca court, and the mildness of the springlike climate, decided the conquerors to establish themselves there, and to make it the centre of their new dominions. During the three centuries of Spanish domination, Lima was the metropolis of South America, politically as likewise commercially and socially. So great was the treasure that the Spaniards obtained of this wonderful country, that the world in its astonishment, at such fabulous riches, made the name a synonym of immense wealth and thus originated the saying "worth a Peru" or "as rich as Peru" as is said in English.

Lima, our capital city, became in the colonial days the centre of all the learning, refinement and wealth in the New World, and was the first American city to be endowed with a university. In 1551 the University of San Marcos was founded, its charter being granted by Charles V. For many years it was the one seat of learning in the southern hemisphere and to it flocked the youth of the southern continent. As a graduate of that most ancient university I would ask to be allowed the privilege of suggesting, that between the University of San Marcos and the illustrious University of Pennsylvania an arrangement be made, whereby it may be possible to bring them into direct communication with each other, with the view to establishing in some manner an interchange of alumni. I venture

to think this might be of mutual advantage to the young men of both countries, as affording them an opportunity to study English here and Spanish there, while in the case of our students the possibility of acquainting themselves with the marvels of your nation, its organization and institutions, and in the case of yours acquiring a practical insight into the customs of our people, and of learning our civil and commercial laws that are substantially the same as those in practice in Porto Rico and the Philippines.

Following the example of the Anglo-Saxon colonies of North America, the South-American communities began their struggle for freedom at the dawn of the nineteenth century. As each section of the Spanish possessions was wrested from her dominion, her strength and power became concentrated in Peru, and it was in my country that the eventful battle took place that sealed forever the independence of South America, on the plain of Ayacucho, on December 9, 1824.

The relations of independent Peru with her sister republics have invariably been inspired by justice and by a broad sentiment of confraternity. On the few occasions that we have been forced into war, it is a noteworthy fact, that whenever the result favored us we did not take advantage of our position to enforce any hard conditions, but concluded peace on terms that made a perfect reconciliation immediately possible.

My country's influence has always been exerted for peace, and on more than one occasion, we have been instrumental in averting war among our neighbors. The voice of Peru has always been raised in condemnation of any unjust aggression of the strong against the weak, and emphatically of all and every attempt at aggrandizement by conquest, declaring such to be contrary to law, and a precedent that should not be established on our continent. Wherever territorial aggrandizement has been the outcome of war, there is left an open wound that is never healed. The picture of Europe divided against itself and the knowledge of the blood, tears and money that the promiscuous seizure of territory represents, should have been sufficient deterrent to our young nations not to indulge in that policy.

Peru has never refused the invitation of other nations of America to attend conferences or congresses convened for purposes of common advantage or for the end of bringing the nations into closer relationship. Thus she was represented at the first International

Congress of Panama, in 1826, at the Continental of 1856, at the first Pan-American at Washington, 1890, and again at Mexico in 1901, at Montevideo in 1889 and 1900, and she has recently been represented at the conferences held at New York on coffee and customs. She has extended her hospitality to the representatives of the sister republics on three occasions, in 1847, 1864 and 1888, when the Continental, the American and the Sanitary Congresses met in her capital city. On each and every occasion the Peruvian delegates have defended the principles of peace and harmony, strenuously fighting for the ultimate welfare of the American continent, while respecting the sovereignty of each community and their integrity of territory.

In the congresses of recent date Peru has voted in favor of compulsory arbitration because she believes that in this is to be found the essential principle that will ultimately lead to the exclusion of war as a means of settling international differences. At the last Pan-American Congress of Mexico, she signed a treaty with ten of the eighteen independent republics of free America that were represented at the close of that congress.

Faithful to her traditions she has acted up to them in every instance, both when she has had to confront a stronger power and when she has been antagonized by one that she considered weaker than herself. With this country we have had arbitrations for the settlement of claims and differences in 1841, 1862, 1863, 1868 and 1898, and the result has been that we have always maintained the most cordial relations the one with the other.

Besides those treaties we have concluded the following wherein the same principle has been established, sometimes as a general rule and at other times for special cases: with Ecuador in 1832, 1860 and and 1894; with Bolivia in 1863, 1876, 1890 and 1902; with Colombia in 1829, 1858, 1870 and 1894; with the Argentine Republic in 1874, and with Chile in 1898. The latter was immediately ratified by our Congress, but unfortunately the Chilean Congress rejected it and this action has left unsolved a burning controversy between both republics, and by this course, the unjust retention of our provinces of Tacna and Arica is prolonged, contrary to the stipulations of the treaty of peace and against the manifest wish of their inhabitants.

The future of Peru lies in its commercial development and its development depends primarily on the question of rapid transporta-

tion and easy communication from and to the great markets of the world. Following this line of thought I see in the Panama Canal and in the Inter-Continental Railroad the two main factors for the accomplishment of this development. And as your country with all its wealth, all its energy and activity is at the head of both schemes I can only see success in the near future.

By wise and conservative economic measures we are putting ourselves in a position to meet new conditions. In 1897 the finances of the country were put on a solid basis and the gold standard was established. In 1890 our foreign debt was canceled and therefore not having any obligations abroad and with a balance of trade in our favor, the experiment that has failed in other nations has been a success with us. With the arrangement of the financial questions there came an era of progress and of industrial activity. Many millions of native capital have been invested within a comparatively short time in banking corporations, insurance companies, mining, agricultural and industrial enterprises, while foreign capital has entered the country to the extent of many millions also.

The exportations have grown in volume from year to year, having increased five-fold since 1884, the year after the war with Chile, and doubled since the introduction of the gold standard, while the fiscal revenues have steadily augmented, leaving a progressive surplus, which has allowed the government to dedicate more of its funds to the encouragement of education, road-making, exploration and the betterment of the nation generally.

Peru, not being a bellicose nation, has only a small but efficient army trained by experienced military instructors from France, and her reduced navy is by no means a menace to her neighbors.

The exploration of the navigable rivers of eastern Peru and the selection of the most convenient routes to connect the Pacific Ocean with the head waters of the Amazon system, has been encouraged by my government and surveys and studies of several routes have been undertaken, by native and foreign engineers, and have met with success. From their reports it would appear, that by the prolongation of some of the coast railroads into the interior it is possible to reach the Amazonian watershed, and that in some instances, by building about four hundred miles of railroad, direct communication may be established between the Amazon and the Pacific, through a country rich in agricultural and mineral productions.

The importance of this route in view of the opening of the Panama Canal is of the utmost moment as it would place the heart of South America within easy access of the markets of this country, and open up what is perhaps the richest section of the world, and what is most important to you, would open to your manufacturers this great section of territory, from whence every conceivable point of South America, in connection with its thousands of miles of navigable rivers, would be practically three thousand miles from New York, while it would be about eight thousand miles from the European markets.

The railroad system of Peru is steadily increasing. In a few months we expect to have a very important section opened which will serve to develop the richest copper district in the world, the Cerro de Pasco, that American capitalists have recently to a great extent acquired.

The projected International Railroad will run along some sixteen hundred miles of our territory. The fourteen existing railroads of Peru, run from the coast inlandwards; two of them, the Central and the Southern, cross the summit of the Andes at altitudes never before reached by any railway in the world, and are justly considered as one of the greatest engineering feats ever accomplished.

The navigation of the Peruvian part of the Amazon and its affluents is being carried on successfully, and every year a greater extension of river navigation is opened up, while new routes are constantly being explored, in connection with the rubber industry.

The wealth contained in those forests is beyond description, and I may mention in corroboration that many persons have already made fortunes gathering rubber which is found there in wonderful abundance. Cinchona and coca were discovered there. One may well wonder what other treasures may not lie still hidden in those virgin forests waiting to be wrested from nature and transformed into commodities for the benefit and use of the human race. Peru offers equal advantages to foreigners as well as natives who may desire to settle there.

A nation that contains all these wonders, that possesses all these natural advantages and has resolutely entered upon the path of progress and political stability, has a very great future in store. I believe with all my heart and soul in the ultimate prosperity of

my country. And now, Mr. Chairman, ladies, and gentlemen, I wish to thank you for the kindness with which you have listened to me, and I wish to be allowed, in conclusion, to express the hope, that the friendly feeling that has prompted this annual meeting may always exist between this nation and her sister republics of Latin America, so that by cultivating it as you have done on this occasion, a better and juster appreciation of each other may follow.

III. Europe and Latin America

Some of the Causes of Conflict Between Europe and Latin America

By George Winfield Scott, Ph. D., University of Pennsylvania

SOME OF THE CAUSES OF CONFLICT BETWEEN EUROPE AND LATIN AMERICA

By George Winfield Scott, Ph. D.
University of Pennsylvania

The causes of conflict between Europe and Latin America are not at all new in principle. The recent clash between Venezuela and the European nations gave us a fresh combination of facts, but the principles of law and economy, over which the conflict arose, are as old as the Latin-American states.

The present dispute concerns the validity of certain pecuniary claims which are held by foreign individuals against the government of Venezuela. But indirectly involved in this dispute is also a question of territorial sovereignty. The small and uninhabited island of Patos, situated about three miles off the coast of Venezuela, is claimed by both Great Britain and Venezuela. It was supposed that when the boundary dispute between Venezuela and British Guiana was settled that this removed the last cause of territorial conflict between Europe and Latin America. The New World has had a vast number of boundary disputes. Sometimes they have been between American states and at other times between American states and European colonies. Wherever war has been the method of settlement the foreigner, like the subject, has suffered injury to person and loss of property. Happily as one boundary after another is determined this source of conflict between Europe and Latin America is removed. Furthermore, it is hoped from the arbitration treaties recently ratified or awaiting ratification, that boundary disputes will hereafter be settled by peaceful methods.

The material or economic facts which interest Europe and Latin America in each other are well known. Europe is an old country with a surplus population, with capital that seeks better investment and with manufacturers who are anxious for cheap raw materials and good markets. Latin America is a nearby continent with untold natural resources which await only capital and enterprise to prepare them for the innumerable utilities which promote the comforts of modern life. Europe has a temperate climate, while

a large part of Latin America is within the tropics. Civilized man has always sought the products of the tropics. But the modern developments in the means of communication, sanitation, etc., have eliminated many of the difficulties and dangers incident to the exploitation of the tropics. At the same time the modern industrial processes have increased the availability and multiplied the quantity of tropical products, thereby augmenting the desirability of tropical industry and trade on the part of European states.

On their part the Latin Americans are anxious to secure the very articles which Europe alone can at present furnish. Their solicitude for immigrants and capital is abundantly evidenced by the generous invitations they have ever extended to foreigners. Privileges have been offered which no nation could possibly carry out. Frequently they have been accepted by foreign speculators who had no real interest in the development of honest industry. But relying upon their powerful governments to protect them, these foreigners have become concessionaires to fat privileges. In spite of the known instability of many of the Latin-American governments, particularly those lying within the tropics, many Europeans have invested their capital in Latin-American states. They take the hazard on the chance that for a short period there will be large returns.

Let us consider for a while the more fundamental principles which govern the rights and obligations of the opposing nations. The recognition by Europe of the revolted colonies of Spain as independent sovereign states meant something—if international morality possesses any right to the title of "law." It was an acknowledgment that the Latin-American communities had adopted a civilized system of municipal or national law. Otherwise they would have been compelled to grant extraterritorial privileges, such as prevail in China, Turkey and Siam. It was an acknowledgment, too, that the Latin-American people possessed the governmental organization and power to enforce their national laws according to the standards demanded by the then-existing international law; that the foreigners and foreign property which came voluntarily within their jurisdiction were subject to the local laws and that the Latin-American countries as juristic persons of international law were entitled to the equal rights and subject to equal obligations enjoyed by other countries.

On the other hand, when the Latin-American communities

became states they undertook certain obligations. From the fact that a nation enjoys sovereign power over all persons and property within its territory, international law logically holds every nation *prima facie* responsible for all acts, committed therein, which invade the rights of other states, whether the offences are the acts of private persons or duly authorized government agents acting within the scope of their authority. The law assumes in the absence of proof to the contrary that all acts accomplished within the range of the state-will are either done or permitted by it.

The standard of justice and degree of protection which international law imposes upon nations in relation to the foreigners who voluntarily come within the range of the state-will is in a general way reflected by the standard which the national or municipal law of modern civilized states has set up for its own citizens and subjects. This happens from the fact that one independent state could not reasonably expect other equally independent states to concede rights and privileges to its subjects without itself making a like concession to their subjects when they should come within the range of its will. As a matter of comity, each state has by its national laws extended to foreigners those private rights which it was desirous should be extended to its own subjects who came within the jurisdiction of other states. And it may be safely said that what was originally granted as comity has now ripened into law.

Therefore, international law contemplates the existence of a national law consonant with modern civilized ideas of private right and so administered that the foreigner is able to obtain criminal and civil justice with a tolerable approach to equality as between himself and the subjects or citizens of the nation. To this extent the law seems clear. But the actual practice of the more powerful states in their relations with the weaker raises the question whether or not the foreigner (who is a subject of a powerful state) does not enjoy a more favorable position than the subject of a weak state which is suffering from intestine war or civil commotion. Over its own subjects a nation is absolutely supreme. The national law may deny all civil responsibility to them. It may treat them with flagrant injustice —considered from the moral standpoint.

However, let us assume that foreigners and foreign property, voluntarily domiciliated in the Latin-American states, are only entitled to that governmental protection and impartial justice which

these states are in the habit of administering to their own subjects. A denial of such protection and justice is considered in legal theory an injury to the nation of which that foreigner is a subject. Because every nation has a right to a continued existence and is accorded all remedies necessary to its self-preservation, that nation, the subject of which has been denied such protection and justice, enjoys at least the remedial right of interposition on his behalf. Whether the remedy of interposition will avail the foreigner anything in a particular case depends upon the standard of justice and protection which he is entitled to enjoy by the rules of international law, regardless of and apart from the national or municipal law of the nation which denies the civil responsibility. This standard can only be determined by the principles governing the actual occasions in which interposition has been successful.

Interposition is the diplomatic presentation by a nation of the claim of a subject against a foreign government with a view to induce by means of negotiation or arbitration a settlement of the claim. It differs from intervention in that it is confined to entirely peaceful remedies. When nations resort to reprisal, retorsion, "pacific" blockade or war in order to enforce a settlement of the pecuniary claims of their subjects they may be said to have intervened—they have committed a hostile act.

On principle, neither interposition nor intervention should be allowed by international law in the case of a foreigner, who has been denied the standard of protection and justice to which he is entitled, until he has exhausted in vain the remedies provided by the national law. Theoretically, this is so because it must be assumed from the sovereign nature of the state that the foreigner who voluntarily places himself within the range of the state-will undertakes to submit to a degree to its laws and administration. Furthermore, the dignity of the state and its high interests in the administration of justice are too deeply involved to allow a mere supposition to be entertained that there has been such a flagrant denial of justice on its part as to affect it with responsibility to a foreign state. Practically, there are at least two distinct reasons for holding that the remedies of the national law should be exhausted by the foreigner: First, to make certain that the denial of the requisite protection and justice was the deliberate act of the nation and not the mere wrongdoing of some minor governmental agency (such as an officer or

local government corporation). Second, if it was the deliberate act of the nation, to make certain that it is the sovereign will that the damage go unrequited.

The legal remedies open in the Latin-American states to the foreigner who has been injured by the government are practically the same as those provided by the countries of Continental Europe and slightly greater than those provided by the United States and Great Britain. Most nations now recognize that the activity of the government is twofold: In one capacity it is a public power maintaining peace and justice and regulating all the relationships within its boundaries. In another capacity it is a private corporation and, like any private person, subject to the civil liabilities of the private law. For damages done individuals in its public capacity no government permits itself to be sued, at least, as a matter of private right. However, all governmental activity is carried on through agents, and, as a general rule, they are personally responsible for the damage which they may commit without authority of law, or which arises from the non-performance or negligent performance of legal duties or from bad faith. Ordinarily, before the foreigner can appeal to the assistance of his government, he must exhaust the remedies afforded by the national law of the state which injured him. But where the damage is caused by the deliberate act of the highest public authority and no provision is made for redress, the foreigner has a right to seek the immediate interposition of his government. The seizure by Portugal of the Delagoa Bay Railway was an act of this character and the damage suffered by the English and American builders at once became an international claim.

Many of the claims against the Latin-American states arise from cruel and inhuman treatment, false imprisonment, forced loans, wanton destruction of property and pillage by the military, mob violence, etc. Such claims originate largely in times of civil commotion and international war. The principles which govern the responsibility of the state in such cases are comparatively simple. The state exists to promote justice, peace and civilization. The government must act in good faith and with impartiality as between subjects and foreigners. It must exercise reasonable diligence to apprehend and punish all persons who invade the private rights of foreigners. It must avoid cruel and savage punishments, at least, in the case of foreigners. Thus Sir Edward Thornton decided, as umpire of the

international commission of 1868 between Mexico and the United States, that Mexico must pay damages to those Americans in the Zerman filibustering expedition who had been treated by the Mexican authorities with severe cruelty. This is an extreme case because participation in a filibustering enterprise works a loss of national protection. Modern civilized law does not permit the mutilation and barbarous treatment of even an enemy.

Perhaps the greatest difficulty which besets the foreigner residing in a state disturbed by civil commotion is the maintenance of a strict neutrality. In those Latin-American states where revolution is the rule rather than the exception, the foreigner is constantly drawn into the maelstrom of strife. To cast his lot with one party means in international law the forfeiture of national protection. The failure of the European states to observe this principle of law is an important cause of conflict between the governments of Europe and Latin America. The European states are prone to overlook the unneutral acts of their subjects abroad and take up their alleged claims with all the force of a powerful state moved by deep national pride. Without doubt the home governments are imposed upon in this matter not only by their erring subjects, but by the resident consular and diplomatic agents.

When a government is temporarily unable to suppress an insurrection within its dominions, it is not responsible, as a general rule, for the damage which foreigners may suffer. It makes no difference whether the damage was caused by the insurrectionists or by the government itself in an effort to assert its authority. Strangers voluntarily domiciled abroad cannot expect a higher degree of protection than is enjoyed by the subjects of the state. States are not in the habit of recouping their subjects for losses which they have suffered in consequence of uncontrollable violence. Of course, states may do as France did after the German conquest of 1870—appropriate millions of dollars to reimburse those who have suffered from the ravages of war. But inasmuch as such national beneficence is purely an act of grace, foreigners cannot complain that they are unjustly discriminated against if they are not made recipients of the bounty.

In the matter of forced loans the foreigner has no ground for a claim if the tax is proportioned alike upon the property of subjects and foreigners. But international tribunals have uniformly held that

partiality in favor of the subject in the repayment of the forced loan is a cause for complaint. In the case of wanton destruction of property and pillage during military operations, the international arbitration commissions to which the United States has been a party have generally dismissed the claims unless the culpability of some high officer was shown.

However, states do not as a general rule hold themselves responsible to their subjects for damages which they may have suffered in consequence of the wrongful acts of government officers, even when the injury was inflicted in the regular line of duty. The private-law rule of *respondeat superior* has no application to the public law of Great Britain and the United States and only a limited application in Europe and Latin America. Thus Germany is the only state which permits herself to be sued for damages caused by the wrongdoing of her officers in cases of riot. The attitude of the United States has been to regard compensation in such cases as purely an act of grace, even under circumstances like the mob attack on the Chinese at Rock Springs, Wyoming, in 1885; on which occasion, it will be remembered, President Cleveland characterized the conduct of the Wyoming authorities as "a ghastly mockery of justice." So it happens that individuals may suffer severe losses and injuries and have no legal claim against the government itself. No nation guarantees either to its own citizens or to foreigners the administration of perfect justice. Nor is abstract justice demanded by international law.

Thus far we have discussed those claims which are tortuous in their origin. The claims which originate in contract play an important part in the conflict between Europe and Latin America. Bonds, guaranteed dividends on foreign investments, contracts for government supplies and public works, etc., have given rise repeatedly to pecuniary claims. In only one instance have the foreign bondholders recovered in claims presented to an international arbitration tribunal. The Venezuela and United States commission of 1885 made these awards. Other commissions have held that the term "claims" in the treaty establishing the tribunals was not broad enough to give them jurisdiction of claims originating in contract. The reason given was that states have as a general rule refused to protect those interests of subjects which arose from contracts with foreign states. The Venezuela commission took the ground that "a claim is none

the less a claim because it originates in contract instead of tort" and, conceding that states have heretofore refrained from presenting claims which were contractual in origin, it said, "we can perceive no reason why such a policy should not be departed from when arbitration is adopted as the method of finally adjudicating international claims."

The instruction of Lord Palmerston to the British representatives in foreign countries is often quoted as indicative of the law upon the subject. He said that the question whether the claims of English subjects originating in contracts with foreign states are to be a subject of diplomatic negotiation is "for the British government entirely a matter of discretion, and by no means a question of international right." This much might be said of any claim. Whether or not a state will undertake to collect the claims of its subjects against foreign states is "entirely a matter of discretion." To discourage foreign investment and keep capital at home, states have generally abstained from presenting contract claims. It is a matter of public policy. Fundamentally there is no difference in principle between wrongs done a subject through a breach of contract and other wrongs for which the state has been held responsible.

The rule that breaches of contract and tort create a liability for damage is a rule of private law. The position of the state in its exercise of sovereign functions is entirely beyond the sphere of private law. Therefore, the extent to which the state is liable to foreigners whose rights originated in private-law relations, must be considered from the point of view of the purpose for which the state exists. It must be borne in mind that the large debts of nations, due as they are to an indefinite number of creditors, all exist under the reservation that the nation shall be in a position to satisfy them, and the supreme authority of the nation, generally the legislature, will finally determine whether the nation is in that position. If the law of nations were otherwise the creditors of a state could assail its property with such diligence as to menace its existence. And the right to a continued existence is the most sacred prerogative of a state. The most which the foreigner has a right to expect in his private-law relations with the state is that his claims receive the same consideration which is given to similar claims of the subject. This is the rule which governs the dealings between the first-class powers.

The real, though not the most avowed, purpose of the recent

intervention of Germany in Venezuela was to collect claims which originated in contract between German subjects and the government of Venezuela. There were two principal contracts. One for 5 per cent bonds for which the Venezuela customs were pledged as security and on which the interest was four years in arrears. The other for 7 per cent dividends guaranteed by the Venezuela government to German subjects on the capital stock of a railway, built by them at an alleged cost of twenty million dollars. In addition to these contractual claims there were several others held by German and British subjects for the transport of troops, munitions of war, etc. These aggregated several million more dollars. From the principles already set forth one may draw his own conclusions as to the legal right of the powers to *force* the payment of such enormous contractual claims. The fact should be noted, too, that these claims arise from injuries to property owned by subjects who are not domiciliated abroad. A vast number of the pecuniary claims against Latin America originate in damage suffered by the, so to speak, absentee landlord. Resident foreigners are generally opposed to the use of violence by their government against the states wherein they are domiciled, because it injures their commercial interests by arousing native hostility.

The disposition of European states to exercise the remedial right of interposition and intervention on all occasions on behalf of their subjects or their property domiciled in Latin America and thereby to discount the remedies afforded to claimants by the national law of the Latin republics has tended to make the foreigner regard the laws and people of Latin America with surly contempt. The foreigner may present any sort of a cock-and-bull claim with considerable certainty that his government will take it up seriously. If this statement seems extravagant, glance through the reported proceedings of the arbitrations and mediations to which Latin-American states have been parties. Between themselves the so-called first-class powers would not think of undertaking to collect such claims. Not only is the original damage greatly exaggerated, but a high rate of compound interest is frequently added.

Of course, there are many cases in which the claimants have suffered losses. Some of them are wrongs for which no law provides a remedy (*damnum absque injuria*) and others are valid claims which should be paid. The problem is to distinguish the

legal from the illegal and the honest from the fraudulent. The method and procedure which prevail in the foreign offices and embassies of the various states are not calculated to perform this essentially judicial function. The difficulties of sifting the evidence and weighing the principles of law applicable to the issues in a particular case can best be met by the procedure of the courts. In these respects a claim against a government is not different from the claim of one private person against another. Besides, it is evident for several reasons hardly necessary to mention, that a judicial body in deciding on the merits of a claim is not so prone as an executive or legislative body to be influenced by personal motives of prejudice and political expediency.

It is impossible to find an instance in which one first-class power has ever made a show of force—resorted to the remedial right of intervention—in order to collect the pecuniary claims which its subjects held against another first-class power. Between such states claims are settled by negotiation or arbitration, *i. e.*, through the peaceful remedy of interposition. This is eminently proper. Why should it be departed from in cases to which a weak state is a party defendant? The Latin Americans realize that they have been imposed upon and naturally they feel bitter. This accounts for the long discussion which M. Calvo, the Argentine publicist, gives to the subject of pecuniary claims in his scholarly work on international law. He says: "A cette question, se rattachent les graves et nombreux conflits que la protection des étrangers a fait surgir entre les grandes puissances européennes et les gouvernements du Nouveau Monde. . . . La règle que dans plus d'une circonstance on a tenté d'imposer aux Etats americains, c'est que les étrangers méritent plus de consideration, des égards et des privilèges plus marquis et plus étendus que ceux accordés aux nationaux mêmes du pays où ils resident."

But it must not be thought that the Latin-American states are blameless. They are the cause of their own misfortune. The states within the tropics have shown little or no capacity to maintain civilized law. Basking under the kindly, not to say sentimental, protection of the Monroe doctrine they have more than once repudiated their just obligations as states and defied the powers. Considering the great economic possibilities which this territory possesses for Europe, the wonder is that the states of the Old World have been so

patient. The tropics are to them a commercial necessity, and law and order are indispensable to the maintenance of commerce and industry. The standards of law and order which meet the needs and satisfy the demands of the Europeans are those which originated in Europe. To secure the rule of law within the tropics at other points on the globe, the commercial powers have found it necessary to establish colonies. Coupled with this necessity, every first-class modern state is moved by the ideal of economic unity. The question of the hour is how long will Europe tolerate the violence and misrule which have ever prevailed in tropical America. The United States as a new country has not the surplus population nor capital which is absolutely necessary for the industrial development of American tropics. On the other hand, the Europeans will not dare to risk themselves or their property to the care of the utterly incapable and irresponsible mob which at present inhabits tropical America.

The United States, as the friend and well-wisher of the Latin-American republics, has a responsible and delicate part to play. It must be careful to avoid any "dog in the manger" policy which may thwart the establishment of honest industry among the Latin Americans by cutting off from them the population and capital which Europe alone can at present furnish. It must realize that political and civil liberty are not every man's possession for the asking. People attain liberty through ages of social and self discipline. It does not consist in a governmental name, but, like heaven, indicates a condition of mind. It is a trained will—the highest product of civilization, and not a thing to be conjured with by the use of the term "republic." The United States must issue its Monroe-doctrine ultimatums with great caution and upon careful consideration, not only because of the economic righteousness of European interest in Latin America, but because our powerful and successful republic is the model which the Latin Americans consciously and unconsciously follow. The recognition by our government of the rule of law and the binding force of international obligations cannot fail to impress them. It is to be hoped that the Senate will ratify the treaty, now submitted to it, providing for the arbitration of all pecuniary claims which may be in dispute between the United States and the Latin-American states.

No doubt the hostile methods at times employed against the Latin-American states by Europe and the United States in the col-

lection of fraudulent and illegal claims has tended to cultivate a disrespect for law on the part of the Latin Americans. Formerly it was thought necessary in national law to incarcerate and otherwise severely punish the delinquent debtor. The cessation of harsh methods (long advocated before adopted) has been followed by a decrease in the number of worthless debts and many other economic advantages to the community. Would not the adoption of a similar policy toward the Latin Americans be followed by the same happy consequences? Foreign investments would then be made only in those countries which manifested the ability to maintain peace and furnish such domestic remedies against themselves in their own courts as promised justice. The other Latin-American countries would languish from the lack of capital and industry, and perhaps spurred by the success of their neighbors to a sober political thought, it would help their society to co-operate in the establishment and maintenance of the rule of civilized law.

Private and International Law in the Enforcement of Claims

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In the brief consideration of such a technical and far-reaching subject as the present one, the logical order of outlining something of the procedure of leading countries in the treatment of domestic and international claims is manifest before referring to such claims in international arbitrations. Inasmuch as the laws and procedures of Spanish-American countries are based on, and follow to a great extent those of European civil law countries, it has been found convenient to refer hereafter to the jurisprudence and procedures of such countries by way of illustration.

Claims in the United States.—Claims against the United States are examined either by officers in the departments of the government, by committees of Congress, by the Court of Claims, by special courts, by domestic commissions or by mixed commissions, under treaties with foreign nations. The officers of the several departments of the government examine the ordinary claims for salaries and other expenses of the government, after which they are reported to the proper offices of the Treasury Department and paid out of appropriations made from time to time by Congress. Claims may be presented in either house of Congress by petition or by bills introduced by members. These are generally referred to appropriate committees and by them examined, and then a report is made to the house in which the claim was presented, and if in favor of the claim, with a bill or joint resolution for an appropriation to make payment, which is considered and passed or rejected as other private bills. Sometimes the bill refers the examination of the claim to the Court of Claims or it is presented before a special court or before a domestic commission, created for the purpose.

The Court of Claims renders judgment, subject to an appeal to the Supreme Court of the United States on questions of law in which final judgment is rendered, and these judgments are regarded as

conclusive and paid without examination by appropriations made by Congress. An examination of the United States statutes will show the jurisdiction exercised by officers of the departments, the Court of Claims, special courts and domestic commissions, in the examination, and the mode of procedure authorized by law.

Mixed commissions, under treaties, exercise jurisdiction in such mode as the treaties provide, aided by such legislation of Congress as may be necessary, and their awards are paid by foreign governments or by appropriations of Congress, as the case may be. The organic act of 1855 gave to the Court of Claims jurisdiction to hear and determine "all claims founded upon any law of Congress or upon any regulation of an Executive Department, or upon any contract, expressed or implied, and all claims which may be referred to it by either house of Congress."

By the act of March 3, 1863, a limitation as to time was provided for filing claims in this court and this same act also had a proviso in respect to all set-offs, counter-claims, claims for damages, whether liquidated or unliquidated, or other demands whatever on the part of the government against any person making claims against the government in said court. Other amendments have been made from time to time which are not material in this connection and may be found in the revised statutes, except the provision as to aliens. Aliens, who are citizens or subjects of any government which accords to citizens of the United States the right to prosecute claims against such government in its courts, have the privilege of prosecuting claims against the United States in the Court of Claims whereof the court, by reason of their subject-matter and character might take jurisdiction. It has been judicially determined by decisions already made, that under this proviso the right to sue in this court is accorded to citizens of many foreign countries. In Brown *v.* the United States, decided in the Court of Claims, May 22, 1871, Nott, J., said:

"Our popular orators and writers have impressed upon the public mind the belief that in this republic of ours private rights receive unequaled protection from the government; and some have actually pointed to the establishment of this court as a sublime spectacle to be seen nowhere else on earth. The action of a former Congress, however, in requiring (Act xxvii, July, 1868, 15 Stat. L., p. 243) that aliens should not maintain certain suits here unless their own governments accorded a corresponding right to citizens of the

United States, has revealed the fact that the legal redress given to a citizen of the United States against the United States is less than he can have against almost any government in Christendom. The laws of other nations have been produced and proved in the Court of Claims, and the mortifying fact is judicially established that the government of the United States holds itself, of nearly all governments, the least amenable to the law."

In England aliens have a remedy "by petition of right," regulated by Acts xxiii and xxiv Victoria, July 3, 1860, and subsequent amendments. (U. S. *v.* O'Keefe, 11 Wall. 179; Carlisle *v.* U. S., 16 Vol., p. 148. See Whiting's War Powers of the President, 51; the Venus, 8 Cranch; the Hoop, 1 Rob. 196; the Army Warwick Sprague, J.)

In Foreign Countries in General.—Foreign nations, almost without exception, have given to aliens, including citizens of the United States, the right to go into their courts, and have an adjudication of their claims upon such nations. This is well shown in the case of Fichera *v.* the United States, 9 Court of Claims R., decided in 1873, in which Nott, J., said:

"The only question presented in this case is whether under the Italian law an American citizen may maintain an action against the government of Italy, and we have already found the perfected justice of the civil law made the government in matters of ordinary obligation, subject to the suit of the citizen, in the ordinary tribunals of the country. We have found this right to be preserved under modern codes in Prussia, Hanover and Bavaria (Brown's case, 5 C. Cls. R., p. 571); in the republic of Switzerland (Lobsiger's case, id., p. 687); in Holland, the Hanseatic provinces and the free city of Hamburg (Brown's case, 6 C. Cls. R., p. 193); in France (Dauphin's case, id., p. 221); in Spain (Molina's case, id., p. 269); and in Belgium (De Gives's case, 7 C. Cls. R., p. 517)."

According to the laws of *France* an action may be brought against the state by a private individual either before the civil or administrative tribunals, according to the nature of the case. If the state is sentenced to pay a sum of money, such sum is taken from the budget of expenditures, and as it is the duty of the legislative branch to vote the budget, it follows that the legislative branch really provides for the payment. Claims against the state brought before the courts constitute what it is customary to call *"actions contentieuses"; i. e.,* actions in which it is presumed that a right, in the judicial sense of the word, is claimed. In other cases it happens

that individuals *whose interests have suffered some detriment* bring claims against the state, either addressing the administration directly or the legislative branch. If the admission of these claims involves the payment of pecuniary indemnities, it is the duty of the legislative branch to provide for the payment in case no appropriation has previously been made to meet these expenditures. There is no special mode of procedure before the legislative branch. Claimants may present petitions, or deputies, either in their own name or in the name of the parties interested, may introduce measures before the legislative branch; or the government itself may bring in a bill.

If a petition is presented, the assembly, in case of its admission, refers it to the ministry having jurisdiction in the matter to which the petition refers. If a motion is made or a bill presented, the examination thereof is referred to a commission, which makes its report, and the assembly passes a vote of approval or rejection. In the first case the law which is passed regulates the fundamental points of the right to indemnity and the details of execution. In general, the legislative branch does not decide as to the admission or rejection of the claims which the parties interested may have to present in execution of the law; the legislative branch generally leaves this to be done by administrative commissions, after it has prescribed the principal rules or mentioned the general conditions which are to be fulfilled.

As examples of this may be cited the following:

The law of September 6, 1871, established the principle of solidarity, in accordance with which the legislator designed to cause the whole nation to aid in making good the material damages of all kinds caused by the war. This law allowed, provisionally, the sum of 100,000,000 francs to be distributed among the invaded departments; and also, the sum of 6,000,000 francs, which latter was specially appropriated to the payment of *damages caused by the reinstatement of the lawful power in Paris after the insurrection of the commune.* The most liberal spirit presided over the application of the principle of indemnification. No distinction was made on account of the causes of the damages. All persons who had suffered material losses in consequence of the war were allowed to present their claims, whether for war contributions, fines, or anything of the kind.

The law of the twenty-eighth of July, cited, closes the series of relief measures which the assembly and the government were led

by a spirit of justice and a humane policy to adopt. After the passage of these three laws, it may be said that there is no kind of damage resulting from war for which relief has not been granted, if not in full, at least in a certain measure, and that without respect of persons. Foreigners, Germans as well as others, were allowed to receive a share of the indemnities granted, whether these had been appropriated to the reparation of losses resulting from the war, properly so-called, or to that *of losses caused by the insurrection of the commune.*

France has always taken the most liberal standpoint in granting indemnities after civil wars. Thus it was that a law of December 13, 1830, supplementary to the law of the thirtieth of August preceding, placed the sum of 2,400,000 francs to the credit of the government for the purpose of indemnifying the sufferers by the July revolution. Another law, of December 24, 1851, appropriated 5,600,000 francs to the relief of the persons who had suffered damages to their property in consequence of the revolution of February, and the revolution of June, 1848. In all these cases, foreigners, as well as French citizens, were permitted to enjoy the benefits of the measures of relief which were adopted.

The law of the tenth of Vendemiaire, year IV, rendered the communes responsible for acts of violence committed in their territories *by mobs and armed or unarmed assemblages,* as well as for reparation of the damages resulting therefrom. The benefits of this law were intended for foreigners as well as for native citizens.

Liability under the Civil Law.—The jurisprudence of Spanish America is based largely upon that of the European civil law and in respect to such claims it is well illustrated in Brown's case (5 C. Cls. R., p. 571), by a distinguished historical writer, Mr. Frederick Kapp, who, as a witness, stated that this liability of a government under the civil law is not a device of modern civilization, but has been deemed inherent in the system, and has been so long established that, to use the phrase of the common law, "the memory of man runneth not to the contrary." Therefore it is to be expected that in *Italy,* the seat of the fountain of the civil law, this same liability is to be found existing. The civil code of the kingdom of Italy of 1866 recognizes, rather than establishes, the fundamental principle of liability, but it expressly provides (Article 10) "That in suits pending before the judicial authority between private persons and the

public administration, proceedings shall always take place formally at the regular session." It is also provided by the third article of the same code that "The alien is admitted to enjoy all the civil rights granted to citizens." These provisions established the right of an Italian citizen to maintain his action in the United States Court of Claims, within the meaning of the act of July 27, 1868 (15 Stat., p. 243, sec. 242), which prohibits the subject of a foreign government from maintaining a suit for captured property, unless "the right to prosecute claims against such government in its courts is reciprocal, and extends to citizens of the United States."

Generally in foreign countries, the state is represented in its pecuniary capacity as the representative of money and property affairs by an officer called the *fiscus*. The power to maintain such a suit is considered a matter of absolute right. Suits in relation to state property, in which the *fiscus* is either plaintiff or defendant, are treated and decided like suits among private parties and all the consequences of defaults and executions take place against the *fiscus*. The *fiscus* is brought into court by the service of summons and complaint upon the fiscal attorney. The fiscal attorney is to answer similarly to any other party and bring his proof. Judgment rendered against the *fiscus* may be satisfied and discharged in the usual way, by execution. (See Brown's case, 5 C. Cls. R., p. 271.) In Bavaria the redress is substantially the same (Muller's case, 6 id.). In the republic of Switzerland the federal tribunal takes cognizance of suits between the confederation, on the one side, and corporations or individuals on the other, when these corporations or private citizens are complainants and the object of the litigation is of the value of at least 3,000 francs (Law, fifth of June, 1849). In the Netherlands, in the German Empire and generally in all countries which have inherited the perfected justice of the civil law, the government is in legal liability thus subject to the citizen. Even in France, under the late empire, there was a less circumscribed means of redress, a more certain judicial remedy, a more effective method of enforcing the judgment recovered, than has been given to the American citizen, notwithstanding the pledge of the constitution. Of all the governments of Europe, it is believed that Russia alone does not hold the state amenable to the law in matters of property.

In respect to the Spanish law it appears that the right of an alien and of a Spanish subject to appear before the courts of

law generally, and bring all manner of actions, whether against the government, or against all other persons and corporations, is precisely the same. The Spanish law makes no distinction in this respect between aliens and subjects (See Spanish Constitution, Art. 2; Civil Code, Art. 27; Civil Procedure, Arts. 69-70, and *Ley de Extranjeria*); all alike have the right to claim against the action of the government, and to procure redress whenever the action of the government or any of its officers is claimed or pretended to be, in violation of written law or in violation of contracts entered into by the government.

In Spanish America.—In respect to the procedure in Spanish America the liberal provisions of the Argentine Republic may be cited by way of illustration. In this republic every claim is presented to the executive and proper department, according to its nature. It must be substantiated by the report of that department which may be acquainted with its antecedents, and with the opinion of the attorney of the treasury or the attorney-general of the nation. The executive can also ask for all the data, reports or testimony that may be considered necessary to establish the truth of the alleged facts. In this respect there is no law whatever establishing a fixed form of procedure. If the executive finds the claim admissible, and there exists in the general budget of the administration or any special laws authority to make payments of the nature of the claim, he then orders its payment by the finance department, charging it to the budget or the special law, as the case may require. If there should be no authority in law to make such payments, then the case is passed to Congress, accompanied with a bill to vote the necessary funds to meet the payment. Congress studies the claim anew and if found admissible, accepts the bill submitted by the executive. If the executive finds the claim inadmissible, he rejects it. In this latter case the interested party sometimes presents himself direct to Congress, complaining of the decision of the executive, and asking that by a special law the payment may be ordered for the amount claimed. The provision of the constitution on the subject is as follows:

"Art. 20. Aliens enjoy in the territory of the republic all the civil rights that citizens do. They can follow their occupation or profession, possess, buy, or sell real estate, navigate the rivers and coasts, exercise freely their religion,

testate and marry according to its laws. They are not obliged to become citizens, or pay extraordinary or forced contributions.

"From these primordial rights given by the constitution to foreigners spring all the rights that are correlative to them, and, among others, *the right of suing or being sued by any individual, native or foreign, before the courts or the government,* in the cases and conditions before mentioned, or in any civil or criminal suit that originates from the exercise of the rights above mentioned, or for the violations of said rights. Furthermore, when a question arises between a foreigner and a native, they are not obliged to submit to the local tribunals, but either of them can oblige the other to appear before the federal tribunals of the nation. This right does not exist when the question is between two foreigners or two natives, in which case they are obliged to submit to the decision of the province in which they reside.

"The resident foreigner and the temporary sojourner have equal rights in law. The only difference, therefore, between a citizen and an alien in the republic is, that the latter cannot be an elector for members of any of the three highest positions in the nation, nor can he, on the other hand, be obliged to perform military service, or pay extraordinary obligatory contributions."

Claims under International Law.—Upon the grounds of public policy, many governments exclude contractual claims from international arbitrations. One reason for this appears to be that persons going into a foreign country for business purposes and making contracts there are supposed to take knowledge of the customs, laws and procedure in such cases and to contract with their eyes open. This is especially true with respect to common law countries that the *lex loci contractus* is to govern, where the contract is to be carried out in the place or country where it is made. In civil law countries it is held that the domicile ought to govern in regard to the capacity of persons to contract. There is, however, much conflict of opinions on this general subject both in common law and civil law countries, which are determined by the peculiar facts in each case and must be taken into consideration in this connection. Lord Palmerston and some other authorities have proclaimed that notwithstanding it is generally contrary to public policy to enforce contractual claims against foreign governments, still, that the state in its sovereign capacity has that right reserved if it sees fit to enforce it, and cases are apt to be more frequent of the exercise of this right where claims are prosecuted independently through diplomatic correspondence or by means of reciprocal agreements under treaties. As examples of this may be cited the following cases: Hilton *v.* Guyot, 159 U. S. 114, which was a contractual case in which a judgment

was obtained in the French courts against citizens of the United States, which judgment was attempted to be enforced in the courts of this country without success and in which it was held that:

> "A foreign judgment for money in favor of a citizen of the foreign country against a citizen of this country, rendered by a competent court having jurisdiction of the cause and of the parties, upon due allegations and proofs and opportunity to defend according to the course of a civilized jurisprudence, whose record is clear and formal, is *prima facie* evidence, at least, in a suit upon it in this country, and is conclusive on the merits, unless impeached on special ground, or shown by international law or the comity of this country not entitled to full faith and credit.
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> "Judgments rendered in a foreign country, by the laws of which our judgments are reviewable on the merits, are not entitled to full credit and conclusive effect when sued upon in this country, but are only prima facie evidence of the justice of the plaintiff's claim.
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> "In the absence of statute or treaty, the comity of this country does not require that judgments of a foreign country be recognized as conclusive in this country, where such foreign country does not give like effect to our own judgments."

And the case of Perez Triano & Company, where judgments were obtained against a Colombian in England and the United States, and were found to be enforceable in Colombia in view of a reciprocity clause in a treaty made between the two countries.

Domestic Commissions.—Domestic commissions, appointed to decide international claims, heretofore have not proven entirely satisfactory. This may be accounted for to some extent on account of the one-sided constitution of such commissions, which leads the commissioners to overlook or disregard the rules of foreign countries in respect to evidence and procedure and, aside from political and national prejudices, the natural tendency of such commissioners to follow too much the technical rules of the courts of their own countries, and the result has been that instead of doing justice there have been imposed such impracticable conditions as to amount almost to a denial of justice. This is evident when one examines the proceedings of a mixed commission, made up of members from different foreign countries, whereby any efforts of the commissioners of any particular countries to impose their rules of evidence and procedure, as rules par excellence, upon the commissions, have been warmly combated, resulting in broad equitable rules being adopted

generally, whereby a cardinal principle of *getting at the truth by any fair means has been the first consideration.*

It is hardly necessary to state that common law procedure is but a mere infant compared with that of civil law countries which is to-day in force in many of the leading countries of the world, and while many features of the common law system are highly commendable, still the evils of others, like *too much cross-examination, confusing and misleading witnesses on the witness-stand, and the arbitrary exclusion of testimony on the grounds of leading questions* (which latter practice courts are modifying; see, *Rowe* v. *Godfrey,* 16 Me. 128; *Funk* v. *Babbitt,* 156 Ill. 408; 20 C. of A. D. C., 559), are well recognized among the members of the bars of this country, and it is extremely doubtful if in the prosecution of international claims such practice can ever be justly enforced, except to a limited extent, in foreign territory where a foreign language is spoken and the civil law prevails.

This is a problem which now confronts the Spanish Treaty Claims Commission at Washington, the first commission which has ever gone to such extremes, and it is believed that unless a broad view is taken of the situation, the results will be disastrous and anything but praiseworthy.

Arbitrary Practices.—Some Spanish-American countries like Chile, Salvador and Venezuela, at different times, have enacted laws requiring foreigners to resort to local courts for determination of their claims and have attempted to deny such foreigners the right of resorting to their own governments, either directly or by means of reference to international arbitration, unless such claims were first established in the local courts. Such arbitrary requirements are now quite generally recognized as contrary to international law, especially where there is local prejudice, where claimants are in foreign territory or where the local courts are mal-administered (See North and South American Construction Company *v.* Republic of Chile, case 7, U. S. and Chilean Claims Commission; El Triunfo *v.* U. S., No. 1, U. S. and Salvador Arbitration).

Mixed Commissions.—Claims prosecuted internationally under mixed commissions are restricted by conventions and rules of practice based thereon, consequently governments do not have the same latitude under such commissions as they do where cases are enforced through diplomatic correspondence alone. As a rule, contractual

claims are excluded from adjudication by express terms in conventions or treaties made between the governments interested and other limitations are often imposed in regard to filing such claims and forever barring claims which are not filed within a stated time. As an illustration of such conventions may be cited the conventions celebrated between the United States and Chile, August 7, 1892, and May 24, 1897, as to claims arising from acts committed by the civil or military authorities of either country, and which were to be a final adjudication and settlement of all claims between the said countries prior thereto. The language of article 1 of the convention of 1893 is similar to that of other conventions, and is as follows:

"All claims on the part of corporations, companies or private individuals, citizens of the United States, upon the government of Chile, arising out of acts committed against the persons or property of citizens of the United States, not in the service of the enemies of Chile, or voluntarily giving aid and comfort to the same, by the civil or military authorities of Chile; and on the other hand, all claims on the part of corporations, companies or private individuals, citizens of Chile, upon the government of the United States, arising out of acts committed against the persons or property of citizens of Chile, not in the service of the enemies of the United States, or voluntarily giving aid and comfort to the same, by the civil or military authorities of the government of the United States, shall be referred to three commissioners," etc.

And Article 9:

"The high contracting parties agree to consider the result of the proceedings of the commission provided by this convention as a full, perfect, and final settlement of any and every claim upon either government," etc.

The Hague Tribunal and the Second Pan-American Conference. —The convention for the pacific settlement of international disputes, concluded and signed July 29, 1899, at The Hague, included only two powers of the western hemisphere, namely, the United States of America and the United Mexican States.

At the second Pan-American Conference, held in the city of Mexico, the principles set forth in the three conferences held at The Hague were recognized as a part of public international American law, and on January 15, 1902, were subscribed to by the delegates of the Pan-American countries, with the exception of Brazil, Chile, Ecuador, Venezuela and Cuba (then not independent):

On January 29, 1902, a treaty was agreed to for compulsory arbitration, excepting questions of independence and national honor, matters in controversy to be submitted either to The Hague or to a *special tribunal* (under special procedure to be agreed upon). Independence or national honor was stipulated not to be involved in controversies with regard to diplomatic privileges, boundaries, rights of navigation and validity, construction and enforcement of treaties (Articles 1 and 2).

This compulsory arbitration treaty led to much controversy which at one time threatened the dissolution of the congress; however, this treaty was finally subscribed to by the delegates from the Argentine Republic, Bolivia, Dominican Republic, Guatemala, Salvador, Mexico, Paraguay, Peru and Uruguay.

On January 30, 1902, the Pan-American delegates, excepting those from Brazil and Venezuela, agreed to a treaty for the arbitration of pecuniary claims, *i. e.:*

> "to submit to arbitration all claims for pecuniary loss or damage which may be presented by their respective citizens, and which cannot be amicably adjusted through diplomatic channels, and when said claims are of sufficient importance to warrant the expenses of arbitration." (Art. 1.)

Such claims were agreed to be submitted to The Hague Tribunal unless both parties should prefer a special tribunal with special procedure (Article 2). This treaty is not obligatory except as to those who have subscribed to The Hague Convention, and as to those who have ratified the convention and upon those who ratified the protocol for their adherence to the conventions signed at The Hague, July 29, 1899, and shall be in force for a period of five years. Under these various conventions and treaties, which are more or less intimately connected, a broader jurisdiction is opened for the adjustment of international differences and claims which, it is believed, will insure more complete justice and satisfaction than has been heretofore accomplished, as many of the petty restrictions and limitations which are to be found in arbitration conventions previously held will be put aside, and the general result will be undoubtedly a better understanding among powers of those broad and liberal principles of equity and justice which will tend towards the compilation of codes of international public and private law for the use of the civilized world.

Notes on the Danish West Indies

By Albert G. Keller, Ph.D., Yale University

NOTES ON THE DANISH WEST INDIES

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The efforts put forth by the Scandinavian peoples in the line of colonization deserve something more than the perfunctory notice which has fallen to their lot. Such isolated instances of a general social movement are likely to exhibit in a clearer, because simpler, light the motives and factors which have led to more important manifestations along the same lines. And even if these miniature colonial empires do owe their foundation to a somewhat different set of causes, they are not less, but more, instructive for that very reason. It is like an experiment which proceeds by isolation of factors.

The experience of Sweden was so brief, and owed so much to the influence of the Dutch visionary, Usselincx[1] that it may be set aside as of slighter moment; but the colonial activity of the Danes was crowned with more enduring results and affords more material, unfortunately hard of access, for study and reflection. And under present conditions, it is of especial interest to Americans to know what value the Danes really set upon their West Indian islands, before there was any definite prospect in sight for their sale.

There was no pressing reason for Denmark's colonial activity in the tropics. No overplus of population or capital demanded new fields into which to expand; no religious or political strifes existed in the homeland, to create a body of exiles to foreign parts. Commerce was not such as to require new regions of supply and demand. The acquisition of the islands St. Thomas and St. John, and later, St. Croix, was due very largely to a desire to imitate the activi-

[1] Van Rees, Staathuishoudkunde, II, 72 ff.; the Danish authorities followed in the preparation of this paper are: Bernhard von Petersen, En historisk Beretning om de dansk-Vestindiske Öer St. Croix, St. Thomas og St. Jan, Kjöbenhavn, 1855; Erindringer fra et sexaarigt Ophold paa St. Croix og Cuba, af "Th.," Kjöbenhavn, 1866; Johan Werfel, Efterretning om de danske-Vestindiske Öers St. Croix's, St Thomas's og St. Jan's, Kjöbenhavn, 1801; Georg Höst, Efterretninger om Öen Sanct-Thomas og dens Gouverneurer optegnede der paa Landet fra 1769 indtil 1776, Kjöbenhavn, 1776; H. West, Bidrag til Beskrivelse over St. Croix, med en kort udsigt over St. Thomas, St. Jean, Tortola, Spanishtown og Crabeiland, Kjöbenhavn, 1793.

ties of Holland and England, and to reap, if possible, the direct and indirect results of such a policy. The movement is an artificial one, therefore, at the very outset; as far as Danish trade with the tropics was concerned, it could hope for little advance of profit under the new conditions.

St. Croix, the largest of the islands, was occupied by the Danes in 1733. Previous to this time, it had belonged to the Knights of Malta (1651-1665), from whom it had been bought by Colbert. Already it had been successively in Dutch, English, Spanish, and French hands. The Maltese Knights had suffered severely from fever, and had been frequently dependent on St. Christopher for food. Under Colbert a company, invested with the usual trade monopoly, was formed, which, however, had been compelled to turn to the king for aid; and the island had been deserted (1695) by the 147 whites and 623 slaves who had inhabited it. For thirty-eight years it was neglected and masterless.

St. Thomas, the second in size of the Danish islands, was seized in 1667 by the English and its few Dutch colonists were forced to depart. Except for the visits of pirates, the island was then deserted until 1671. In that year there was formed the *Dansk Guineisk-Vestindiske Compagni,* under whose auspices the island was at once occupied by the Danes, in spite of England's protest. This Danish company was managed by six directors, who were required to invest two thousand rigsdaler[2] in the enterprise; shares were sold at one hundred rigsdaler. The first governor, Jörgen Iverson, reached the island May 23, 1672. The earliest proclamation of the governor dealt, in its first articles, with religious matters. Fines were fixed for non-attendance at divine service, for Sunday labor, and the like. Strict prescriptions as to drill and use of arms in defence, follow. All persons were forbidden to leave the island, or take anything away from the island without the governor's permission. Heavy fines were to be exacted for attempts to entice away another's indentured servants —whites who had sold their liberty for passage. Negroes were not allowed to leave a plantation after dark; if a strange negro was found on a plantation at night, he was to be arrested, taken to the fort, and punished. Other injunctions calculated to insure internal

[2]The specie rigsdaler was worth, at the end of the seventeenth century, about $1.02. It rose a few cents in value during the ensuing period and was worth in 1844, $1.11.

cohesion and order, and an efficient defence, were published. All fines were payable in tobacco, the natural currency of the colony.[2] The necessity of defence was made apparent by the robberies of the Spanish from Porto Rico, and by the presence of French and English buccaneers on the island of Tortuga.

The familiar difficulty of tropical colonization began to make itself felt after 1679—lack of an adequate labor supply. Complaint was made to King Christian V., who promptly established slave stations on the Gold Coast, and under pressure increased the number of shareholders of the company in Copenhagen; a tax was levied on coaches, for example, when the owners could not show certificates of participation to a certain figure, in the company. Naturally enough, the import of slaves into the islands increased perceptibly and with it the prosperity of the plantations. These slaves came, however, of restless and unruly stocks, and in an exceptionally short time the Danish islanders are found to be in terror of revolts and deeds of violence. Laws were enacted which could not have been enforced, else all the slaves would have perished by the halter.

The evil, because of the essential weakness of the Danish company, was not at this time of such proportions as it later displayed. Possessing meagre capital, the company could send but one ship a year to the African coast; this vessel transported slaves to St. Thomas and then loaded with colonial wares for Denmark. For the purpose of increasing trade and also to encourage the settlement of the colony, a thirty-year treaty was concluded with the Duchy of Brandenburg, in accordance with which a company of Germans was to settle in the islands. Most of the shares, however, were in Dutch hands. The immediate result of this movement was the appearance of fifty workmen in the isles and of five ships, sailing on the company's account. This company suffered much from French pirates shortly after its erection, but made such large gains as to excite the envy of the Danes, to whom small consideration was given. Its privilege ran out in 1715 and was not renewed; members of the company who desired to stay were required to take the oath of allegiance.

After the revocation of the Edict of Nantes the islands were

[2] By 1684 sugar had distanced tobacco, and, according to the well-known laws of money, had taken its place as currency.

fortunate enough to receive as settlers a number of Huguenot fugitives from St. Christopher; these were noted, as usual, for frugality, industry and fear of God. In general during all this period, efforts were being made to attract a larger immigration; at one time young, unmarried women were forbidden to leave the country without special permission. A number of privileges were guaranteed to settlers, including religious tolerance, freedom from taxes for eight years, grants of as much land as could be put under cultivation, needed aid in agriculture, etc. Imported and exported products were to be free of customs for eight years. The policy was liberal, and the results were good; in 1688, the island numbered ninety plantations, with 317 whites and 422 slaves. To show the polyglot nature of the population, it may be mentioned that of the white families, nineteen were Danish, sixty-three Dutch, thirty English, seventeen French, three Swedish, two German and one Portuguese. This mixed character of the population was maintained into the nineteenth century, and was plainly evident to an observer in the forties.[4] Many local names on the island recall to mind the varied nationality of its early settlers.

The monopolistic trading company, as time went on, did not fail to prove its kinship with its prototypes—it ran the usual course of inglorious inefficiency. In 1692, as a relief measure, the island of St. Thomas was leased to a merchant, Thormohlen by name, for ten years. The lessee was to maintain a garrison and was to have full control of all the island's affairs and income. The characteristic independence of the colonial society was here witnessed, for the colonists resolutely refused to pay taxes to Thormohlen, whose activity was not prolonged beyond the original period of lease. After the disappearance of this adventurer, the company led a humdrum existence for some years. In 1736 it was found that to keep itself above water, it had in the matter of trade consistently favored the Dutch and excluded its own countrymen. Eight Dutch ships were engaged in the trade to one Danish. A counter movement of merchants in Copenhagen succeeded in forcing an entrance into the West Indian Company and the Dutch were in turn excluded.

But the company was nearing its end. The burdens which its manipulations had laid upon the colonists were intolerable and frequent complaints were lodged with the king. The company had

[4] Erindringer, etc., 150.

secured a thoroughgoing monopoly of raw sugar in Denmark and, by opening a refinery there, virtually commanded the market. Prices were driven very high and sugar became a luxury no longer in common use. The shortsightedness and greed of this policy impressed themselves upon the government and in 1755 King Frederik V. bought out the company's entire plant, including the islands, the equipment and the Copenhagen refinery. The price paid (1,418,000 rigsdaler), was entirely incommensurate with the good effects that appeared at once and with the general gratitude of the oppressed colonists.

One of the chief causes of rejoicing to the planters was the removal of the restrictions laid by the company on the importation of slaves. Slaves were a necessary evil, and one with which the colonists played as with fire, with a certain fateful fascination. Early in the eighteenth century and before, precautions must constantly be taken regarding runaways, and fear of uprisings was constantly displayed. All the boats, for instance, were drawn up at night under the guns of the fort. The Spanish of Porto Rico enticed the runaways and hypocritically explained, in answer to complaint, that the slaves had come "to be baptized." The fear of the blacks had grown until the colonists had become panicky, and consequently needlessly cruel and arbitrary. In 1733 an edict appeared which evidenced this terror; such punishments as branding, loss of limbs, hanging, and breaking on the wheel were threatened for what appear to us to be comparatively unimportant offences. By this cruelty an uprising was brought about late in 1733 on the island of St. John, for the suppression of which it was found necessary to call in the French from Martinique. The desperation of the negroes is shown by the fact that they preferred death to capture; a body of three hundred, finally shut in and sure to be taken, deliberately shot each other, so that the victors found their dead bodies lying in a circle about their last camp. The suppression of this revolution cost 7,900 rigsdaler, besides costly gifts to the French officers. But the St. John planters refused to bear a share in the expense, asserting among other things, that the fort was poorly prepared for resistance.

When the king had taken over the powers of the company and slaves began to come in with greater rapidity, the native question became still more threatening. Partially in consequence of this, the

slave trade was declared illegal (1792). Thus the Danes became the forerunners of the great philanthropic movement of the early nineteenth century; the slave-trade went on, none the less, with the connivance of the authorities for half a century.[5] Finally, on the queen's birthday, June 28, 1847, all children born of slaves were declared to be free; the whole slave system was to be abolished in twelve years. But this move failed to win the confidence of the slaves, who were suspicious of the twelve year term. Indications of a conspiracy appeared in 1848 and an incipient and dangerous revolt in St. Croix in July of that year, encouraged by English sailors, forced an immediate emancipation; 1,892 whites were opposed to 22,000 negroes in desperate mood, who carried the English flag as a symbol of freedom.

We have here, then, with unimportant variations, the stock history of the question of tropical labor up to emancipation. The orders that followed were likewise of a familiar general type. Contracts for paid labor were to date from October 1 of each year, and would be renewed only at that time; notice of such intention was to be given in August. No discharge was to be without ground, and no strikes were to be allowed; work was to last from sunrise till sunset, as a rule, and for only five days in the week; liberal allowance of time for meals (three hours) being granted. The laborer was given a small plot of ground and was to be paid per day fifteen, ten, or five cents according as he belonged to the first, second, or third grade of workmen. Extra labor during harvest was to be paid for, and no one was to be forced to work on Saturday; a maximum wage of twenty, thirteen, or seven cents was to be paid for voluntary Saturday labor. Fines, levied in labor, for absence and tardiness, were designed to oppose the tendency to vagabondage. Women were to be excused from work for seven weeks after confinement. Other provisions dealt with the treatment of the sick and weak, and with the punishment of those who incited a stoppage of labor.

Certainly these St. Croix provisions were mild ones as they appear on the statute books. It is likely that they represent the actual treatment of the freedmen with approximate correctness. The conditions of forced labor of all kinds have been regularly harder on islands than upon the mainland, where escape was easier;

[5] After 1792 slaves were continually imported, and premiums were paid for strong and healthy ones. Burt, En Stemme fra St. Croix, Kjöbenhavn, 1852.

but, inasmuch as the position of the Danish islands favored evasion, it is likely that the planters, prizing their comparatively few laborers higher, took pains to retain them. Facts seem to bear out this hypothesis. The absence of the coolie system is scarcely remarkable, when one realizes the poverty of Denmark and the generally discouraging attitude of the British, Dutch, and Chinese governments toward this form of semi-slavery.

In spite of the laws, vagabondage, and with it, crime, increased notably, especially in the towns of St. Thomas. In the country, master and former slave often worked side by side, winning a precarious existence under a somewhat disjointed system. For a long time no indemnity to former slave-owners was granted, owing to embarrassments of the home country during the Sleswig-Holstein war.[6] In 1855 the working classes of St. Thomas were earning from five to twenty dollars per month. Many of them were great bunglers; few felt much obligation or displayed much fidelity to their masters. The regular results of emancipation upon the character of the negro appeared prominently. Work was felt to be lowering; the negroes held the conviction that to be a "gentleman" one must command others and exact obedience. Domestic tyranny and cruelty resulted when this wish could not be gratified otherwise. Shameless begging was preferred to labor and no attempt was made to provide for old age; alms of less than a dollar were regarded as petty, and the donor was despised. Aid was asked by able-bodied men as a matter of course. Vanity was a characteristic all too common—servants would not appear on errands until

[6] Under date of August 24, 1852, we have a letter of considerable interest, written by a Saint Croix planter to the Danish Parliament (John Heyliger Burt, Jr., En Stemme fra St. Croix, Breve til den danske Rigsdag, Kjöbenhavn, 1852). The author, after recalling the prosperity of the islands during the European wars, states that they are now struggling for existence: labor is insecure, insufficient and costly, production is declining, and prices are low. He regards the labor regulations mentioned above as wise and beneficial, but explains that the planters could not have carried out the provisions demanded of them unless the labor supply had been made steady and secure.

The main contention of the letter is that the Danish Government should not so far prove false to its honor as to refuse indemnification to slave-owners after emancipation. The planters had been to considerable expense in the erection of schools, etc., for the betterment of the negroes, and yet it was proposed by some that they should in addition bear the entire amount of the loss incident to the freeing of the slaves. Any distinction between Danish and foreign planters in the matter of indemnification, such as seems to have been proposed, was doubly dishonorable.

Other grievances of the colonies are touched upon, the letter concluding with the following paragraph: "A just indemnification, a sufficient immigration of free labor, an influential Colonialraad and a strong government are the fundamental points upon which the future well-being of the colonists rests."

time had been taken to append all the finery the person in question possessed. Marriage was most lax, among the higher as well as the lower classes, and three-quarters of the children born on the island were illegitimate. The sentiment of the Danes seems to have been decidedly against formal marriages with blacks or mulattoes.[7]

The government of the islands after the fall of the company appears to have been of a careful and reasonable type. Desire for an expansion of territorial possessions and a wish to aid the company had led Christian VI. to purchase St. Croix (1733) from the French. The price paid was 750,000 livres.[8] The miserable administration of the company on this island conspired with the rest to bring about the buying-out of the company by Frederik V. In the negro troubles that followed, the government seems to have displayed clemency and thereby to have saved itself much expense and its island citizens much loss of life and property. Complaints were not lacking, however, and the government became passive, rather than active, in later times. No successful effort was made to further education in the colonies, nor to establish adequate sea-connections. The school-fund was used up in St. Croix, and Sunday Schools, maintained by private persons, formed almost the sole educational factor in the other two islands. Postal arrangements were particularly inadequate; letters were left at the nearest store and often lay there for long periods, until the recipient happened to be apprised of their presence. Many were lost; how letters from North America, coming always via Havana, managed to reach their destination, has always remained something of a mystery to the islanders themselves.

Other details of administration were better managed. Tolls, harbor dues, etc., seem rarely to have been excessive, under the royal government. The first "colonialraad" was formed in 1852, under the governor as presiding officer. Its members were twenty in number, four from the king's selection and sixteen elective in the island. Municipal affairs were in the hands of a council of five citizens, who received no remuneration, save honor, and were not responsible to anyone. They held no open sessions, but submitted a yearly report; they were regularly selected from the best men of the island and seem to have served with fidelity and economy. The

[7] Erindringer, etc., p. 114 ff.

[8] The livre of the period was worth about nineteen and one-half cents.

governor received under the company a very small salary, but his position carried with it, of course, a number of fees and perquisites. In spite of economy, however, the royal budget of the islands shows for 1850-51 a deficit of $48,662.

The climate of these islands is well known. Its baleful effect upon the morals, and so the health, of the Danish colonists, was pronounced. Intemperance of all kinds was prevalent, and gambling, for high stakes, aided in the general demoralization. Of the diseases noted by the Danes, malaria, yellow-fever, influenza, and small-pox were the most serious, fatalities occurring prevalently in the lower classes of the population. Tables of mortality for the years 1835-50 inclusive show an average yearly death-rate of one in twenty-six (416 in an average 11,000 population). Earthquakes are frequent, but harmless; but hurricanes are prevalent (127 in the 352 years from 1494-1846), and very destructive; the islands are in the direct track of these storms.

The trade-history of St. Thomas, which stands as a fair type for the other colonies, exhibits certain characteristics incident to its geographical location and political history. It is to be noted, first of all, that the harbor of St. Thomas formed an admirable haven, entirely adapted to the safe concealment that was so often a desideratum in the days of privateering and contraband traffic. This harbor was situated at the cross-ways of the trade-routes of that day. To these natural advantages were added the great political advantages of an almost constant neutrality and a free-haven status. The abbé Labat, writing in 1701, notices these favorable conditions, and states that the Danes derived great profits from the constant European wars, as prizes of both sides, and of free-booters, were brought here to be sold; the island also enjoyed advantages in the silver-trade with South America. St. Thomas was, in a word, a West Indian market-place of the first rank. The production of the island, with its light soil, was small, and prices were regularly high, but on the other hand, acquisition of wealth was easy and many resident foreigners had already grown rich. Though St. Thomas's harbor was declared a free haven for the first time in 1724, it had really been so for years before.

The company's baleful influence upon the island's prosperity has been noted; an indirect evil result was seen, when, at the demise of the company, Danish merchants were for some years too timid

to seize upon the palpable advantages of the trade. During 1756 not one Danish ship entered the harbor. In fact, a number of merchants left the island, and circulating currency became so scarce as to lead to an issue of paper money for which the authorities were responsible. Depopulation was so much feared that a law was published according to which anyone who left the island must surrender to the government 2½ per cent of his income and real property. In 1773 St. Thomas had 39 sugar and 43 cotton plantations. Of the 4,233 inhabitants, 265 were white, 336 colored and 1,067 slaves. St. John boasted 104 whites and 2,330 slaves. Expenses slightly exceeded income; and from 1755-92 trade amounted to little. In 1792 however, a great change occurred, coincidently with the European wars. Trade rose to unknown heights, and between 1792-1801, 1,569 foreigners naturalized in the island. A number of fugitives likewise came from San Domingo, and at the end of the century the population numbered about seven thousand. But between 1801 and 1815 the advantageous neutrality of the Danes was broken by forces they could not control. From April, 1801, to February, 1802, St. Thomas was in British hands, and though trade rose again promptly after the restitution, a second violent break came in 1807. The Danes having refused England's proffered defensive alliance, the islands were seized and held until 1815.

That the Danes valued their possessions highly in 1801 is evidenced by contemporary authority;[9] the feeling against England was exceedingly bitter. During the English occupation, English merchantmen alone were to be seen in the harbor and trade was very small. American products were diverted and passed over St. Bartholomew, which at this time enjoyed an ephemeral importance; St. Thomas enjoyed the direct trade of British North America alone.

After 1815 events again conspired to render St. Thomas prosperous. During the wars of emancipation of the Spanish continental colonies, many native Spaniards emigrated to the island, and the harbor was a resort of free-booters flying the flags of Buenos Ayres and Colombia. The period *circa* 1824 is regarded by some as the culminating point of St. Thomas's prosperity. But the condi-

[9] Werfel, as above. Oxholm (De Danske Vertindiske Öers Tilstand i Henseende til Population, Cultur og Finance-Forfatning, Kjöbenhavn, 1797) gives considerable detail as to the condition of the islands at the end of the eighteenth century. His book is an answer to certain "Breve fra St. Croix" containing articles upon the management of the islands.

tions which created this status were short-lived. The evil day was delayed for some years by the opportunities afforded for trade with the neighboring Porto Rico and for the financing of its early development; many sugar-raisers in Porto Rico could not have begun or prosecuted their industry without the credit afforded by St. Thomas. But, with characteristic international ingratitude, as soon as this aid was no longer indispensable, it was rudely put aside by the levying of heavy import-dues against St. Thomas, and by other means. In 1855 imports to St. Thomas (half from Europe and half from America) were valued at $5,000,000; St. Thomas merchants still continued to finance Porto Rico to some extent, but the Danish island was evidently and surely on the decline. Denmark has been willing to part with her colonial possessions for a sufficient consideration several times since the middle of the nineteenth century; later years have witnessed no revival of trade.

This appears only natural when one reflects on the conditions which lent the former prosperity. The rise of modern transportation facilities, and the substantial peace of the world, implying as they do the passing of the narrower system of the former centuries, render a free, neutral harbor, and, indeed, a harbor of such central position as St. Thomas held, of comparatively less importance. Way-stations and concealment-stations are less in demand. Even the piercing of a waterway between the continents does not promise much for the future of these islands. As the city of small harbors has given way to the port like New York, which possesses, virtually, no harbor in the old sense of the term, so the small and local way-station has fallen away in a commerce on a grand scale in world-wide markets. St. Thomas's excellent harbor will doubtless remain a frequented coaling-station, but its former commercial importance is no more.

True colonization in the West Indies was clearly beyond the strength of Denmark, as it was beyond the strength of the Portuguese in India. The mother-country was too remote and too small, the competition of greater peoples was too strong. A decision to part with the islands would seem to be the conclusion of wisdom, and considerations of national pride alone can oppose it.

This exceptional experiment in tropical colonization by a Scandinavian people runs, therefore, through most of the characteristic phases to which the student of colonies is used. In so far, it goes

to show that the general course of events has followed the order of a natural and inevitable evolution. No particular virtue in avoiding stock errors, nor vice in committing peculiar and unusual mistakes is to be found in the Danes above other nations; economic evolution runs its course for Greek and Scythian alike, and they submit, each in his own way, to inevitable conditions and movements. In isolated cases, such as that of the Danes, though the local setting of the experiment is of curious, rather than of vital interest, essential economic and political truths are likely to emerge with especial simplicity and definiteness.

IV. Political Relations of the United States with Latin America

The Treaty Relations of the United States and Colombia

By John H. Latané, Ph.D., Washington and Lee University

THE TREATY RELATIONS OF THE UNITED STATES AND COLOMBIA

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The relations of the United States and Colombia have been largely concerned with questions relating to the isthmus of Panama. The first treaty by which the United States acquired rights and assumed obligations in regard to the isthmus was that signed with New Granada (now the republic of Colombia) in 1846 and ratified in 1848. The thirty-fifth article of this treaty contains the following important provisions: (1) "The government of New Granada guarantees to the government of the United States that the right of way or transit across the isthmus of Panama upon any modes of communication that now exist, or that may be hereafter constructed, shall be open and free to the government and citizens of the United States, and for the transportation of any articles of produce, manufactures or merchandise, of lawful commerce, belonging to the citizens of the United States," upon the same terms as shall be enjoyed by Granadian citizens. (2) "The United States guarantee, positively and efficaciously, to New Granada, by the present stipulation, the perfect neutrality of the before-mentioned isthmus, with the view that the free transit from the one to the other sea may not be interrupted or embarrassed in any future time while this treaty exists." (3) "The United States also guarantee, in the same manner, the right of sovereignty and property which New Granada has and possesses over the said territory."

This treaty was to remain in full force for a period of twenty years and was not to be terminated then or at any time thereafter without twelve months' notice from one of the parties. Relying upon its guaranties the Panama Railroad Company, composed mainly of citizens of the United States, obtained a concession from the government of New Granada and between the years 1850 and 1855 constructed a railroad across the isthmus from Colon to Panama.

The terms of this treaty were first invoked by the United States

in support of the claims of its citizens who suffered personal injury and loss of property in the Panama riot of 1856. On April 15 of that year a party of about nine hundred and fifty passengers, including many women and children, had just been carried over from Colon to Panama *en route* for California, when a quarrel arose between a drunken passenger and a negro, who kept a provision stand, over the price of a slice of watermelon. A general riot ensued, in which the police joined the natives in their attack upon the Americans. When order was finally restored it was found that about twenty persons had been killed and twenty-nine wounded. Most of the killed and about half the wounded were Americans. The claims for property destroyed amounted to about half a million. In view of the inability of the Granadian government to afford adequate protection to the transit route, the United States sent two special ministers to Bogota with the draft of a new treaty. This draft provided for the payment of a lump sum, the amount to be determined by mutual agreement, in satisfaction of the claims growing out of the riot of April 15. The more important features of the treaty, however, were those which provided for the creation of a belt of territory twenty miles broad along the line of the railroad from ocean to ocean. New Granada was to retain her sovereignty over this belt, but it was to be under the direct control of two self-governing municipalities, one at the Atlantic and the other at the Pacific terminus of the road. It was further proposed that the United States should acquire control of certain islands in the harbors at each terminus as naval stations. These proposals were rejected by New Granada.[1]

The subject of a new treaty was then dropped and the question of indemnity for the unfortunate occurrences of April 15 was urged upon the attention of the New Granadian government. These negotiations were finally transferred to Washington and resulted in the convention signed by General Herran and Mr. Cass, September 10, 1857, by the first article of which New Granada acknowledged her liability. This article is, in part, as follows:

"All claims on the part of corporations, companies or individuals, citizens of the United States, upon the government of New Granada, which shall have been presented prior to the first day of September, 1859, either to the Department of State at Washington, or to the minister of the United States at Bogota, and especially

[1] Correspondence in relation to the Proposed Interoceanic Canal, etc., 23.

those for damages which were caused by the riot at Panama on the fifteenth of April, 1856, for which the said government of New Granada acknowledges its liability, arising out of its privilege and obligation to preserve peace and good order along the transit route, shall be referred to a board of commissioners, consisting of two members, one of whom shall be appointed by the government of the United States and one by the government of New Granada." The commissioners were to appoint an arbitrator or umpire to decide upon cases on which they differed in opinion.

The government of New Granada delayed ratifying this convention until the delay called forth an emphatic remonstrance from Mr. Cass. In a note to General Herran, dated June 4, 1858, he said: "When the negotiations for the settlement of the difficulties between our respective countries were brought to a close by the conclusion of a treaty on the tenth of September last, it was the confident expectation of this government that the treaty would be ratified by New Granada without delay or objection. The arrangement was not entirely satisfactory to the United States, for it left unadjusted several subjects of difference, some of them of much importance, arising out of the transit route and out of the measures in relation to it proposed to be adopted by your government. . . . I informed you at the commencement of the discussion between us that the recognition by your government of its responsibility for those aggressions at Panama and an arrangement for their satisfaction were considered by the United States indispensable to the success of our negotiations."

On August 16, 1858, General Herran informed Mr. Cass that the convention had been ratified by his government with certain modifications and with the following explanation as to the effect of acknowledging liability for the riot at Panama: "It is understood that the obligation of New Granada to maintain peace and good order on the interoceanic route of the isthmus of Panama, of which Article 1 of the convention speaks, is the same by which all nations are held to preserve peace and order, within their territories, in conformity with general principles of the law of nations and of the public treaties which they have concluded." The object of this "explanation," it appears from General Herran's note of the same date, which was itself somewhat ambiguous, was to guard against the establishment of this case as a precedent or the interpretation of the convention as

creating a new obligation. He says in this connection: "The convention was framed for a determinate object. This being attained, the instrument will, *ipso facto,* stand annulled, as is the case with treaties, from the moment that the period of their duration has terminated. It could not, therefore, contain a stipulation, granted in general terms, applicable to all such cases as might occur and the duration of which would have to be unlimited."

The convention was ratified by the United States Senate in March, 1859, with the acceptance of this explanation and with some other minor amendments and immediately sent to General Herran. A few days later he brought up the subject of certain grievances which the government of New Granada had against the United States arising out of the alleged non-payment of tonnage and mail taxes. Mr. Cass replied, under date of March 31: "I have simply to repeat the substance of what has been stated to you in our personal conferences, that, until the convention of September, 1857, has been ratified by New Granada, this government is not prepared to enter upon any further discussion in reference to the various points mentioned in your note." After still further delay on the part of New Granada and an extension of time by the United States Senate, the ratifications were finally exchanged November 5, 1860.

When the commission had been organized under this convention and was ready to proceed to the adjudication of claims, Mr. James M. Carlisle, the agent of the Granadian government, offered to submit evidence to show that damages were inadmissible. He contended that the admission of liability on the part of New Granada in the first article was merely an admission of liability to have claims made against her and not of liability for damages. This question was referred to the umpire, who decided that the liability of New Granada was fully admitted by Article 1, and could not be raised before the commission. They then proceeded to pass upon the claims presented, and when the time for the legal expiration of the commission arrived, March 9, 1862, over one hundred cases remained undecided. An effort was made by the United States to have the time extended, but the Colombian minister had no authority to grant an extension and there was no way of postponing the legal expiration of the commission. After nearly two years' delay, occasioned in part by revolutionary outbreaks in Colombia, a supplemental convention was signed February 10, 1864, the ratifications of which were exchanged

August 19, 1865, providing for the reorganization and continuance of the commission for a period of nine months from the exchange of ratifications. The sum total of the awards made by the commission under the convention of 1857 was nearly $500,000. The awards under the supplemental convention of 1864 amounted to something over $85,000.[2]

In 1862 the Granadian government, through its representative at Washington, notified the United States that a revolutionary chief, who was then trying to subvert the Granadian confederation, had sent an armed force to occupy the isthmus of Panama, and called upon the United States to enforce its guaranty. Simultaneously the same information was received from the United States consul at Panama, and the President instructed the United States naval commander at that port to protect at all hazards and at whatever cost the safety of the railroad transit across the isthmus. The Granadian government, however, was not satisfied with this action, and urged the United States to land a body of troops at Panama, suggesting that it consist of three hundred cavalry. In view of the critical situation in which the United States government found itself by reason of the civil war, President Lincoln hesitated to take such action without consulting Great Britain and France, and accordingly Mr. Seward instructed our representatives at London and Paris to seek an understanding with those governments on this subject. He declared: "This government has no interest in the matter different from that of other maritime powers. It is willing to interpose its aid in execution of its treaty and for the benefit of all nations. But if it should do so, it would incur some hazard of becoming involved in the revolutionary strife which is going on in that country. It would also incur danger of misapprehension of its objects by other maritime powers if it should act without previous consultation with them." The points upon which he wished to sound England and France were: "First, whether any proceeding in the matter shall be adopted by the United States, with the assent and acquiescence of the British and French governments. Secondly, what should be the force and extent of the aid to be rendered to the Granadian confederation. Thirdly, whether these governments will unite with the United States in guaranteeing the safety of the transit under the authority of the Granadian confederation, or either of these objects, and the form

[2] Moore's "International Arbitrations," 1361–1420.

and manner in which the parties shall carry out such agreement." In a conference between Mr. Adams and Lord John Russell, the latter declared that he did not consider that the contingency had arisen which called for intervention; that so far as he could learn no attempt had been made to obstruct the free transit across the isthmus. The French government took substantially the same view.[3]

The publication of these dispatches in the volume of Diplomatic Correspondence transmitted with the President's message of December 1, 1862, drew from Mexico a protest against the position taken by the United States in inviting the co-operation of European powers in the affairs of America. In a note to Mr. Seward dated March 19, 1863, Mr. Romero reminded him of the sufferings Mexico was then undergoing as a consequence of European intervention, and added: "In the opinion of the government of Mexico, the result could have been none other than that of a European intervention, if the proposal which the United States made in June last to the cabinets of St. James and the Tuilleries to send land forces to the isthmus of Panama, with a view of protecting the neutrality of the isthmus, had been accepted by the governments of Great Britain and France." In his reply Mr. Seward declared that the United States was in sympathy with the views expressed by the Mexican government, and he expressed his regret that the character of the correspondence in question had been misapprehended.[4]

In 1864, during the war between Spain and Peru, it was feared that Spain might insist on sending troops and munitions of war across the isthmus. Colombia notified the United States that in such an event she would call upon the United States to intervene. Fortunately the necessity did not arise, but the Attorney-General expressed the opinion that according to the terms of the treaty such intervention would be obligatory. The following year the question arose as to the obligation of the United States to protect the isthmus against invasion by insurgents. To a request from Colombia for troops Mr. Seward replied in a dispatch to Mr. Burton, dated November 9, 1865: "The purpose of the stipulation (contained in the thirty-fifth article of the treaty of 1846-48) was to guarantee the isthmus against seizure or invasion by a foreign power only. It could not have been contemplated that we were to become a party to any

[3] Dip. Cor., 1862, 131, 162, 380.

[4] Dip. Cor., 1863, 1150.

civil war in that country by defending the isthmus against another party. As it may be presumed, however, that our object in entering into such a stipulation was to secure the freedom of transit across the isthmus, if that freedom should be endangered or obstructed, the employment of force on our part to prevent this would be a question of grave expediency to be determined by circumstances. The department is not aware that there is yet occasion for a decision upon this point."[5]

The question as to the right of the United States to land troops on the isthmus without first obtaining the consent of the Colombian government was raised rather unexpectedly in 1865. In September of that year, Rear-Admiral Pearson landed some marines and a band from his flag-ship at Panama, without asking permission of the local authorities, for the purpose of rendering the customary naval honors to the remains of Alexander McKee, late consul of the United States at Panama. Two days later the president of the state of Panama addressed a note to Rear-Admiral Pearson, in which he protested against this act and added: "I expect, therefore, that in case it shall be necessary to disembark armed naval forces in future, it will not be done without the consent of the authorities in this place, which represent the sovereignty and independence of the nation." Rear-Admiral Pearson replied, taking exception to the views presented by the president of Panama and entering upon a discussion of the treaty. The government of Colombia took the matter up at this point and addressed a note to the minister of the United States resident at Bogota, in which were set forth the views of that government as to the meaning of the treaty. Mr. Seward reviewed the whole controversy in his dispatch of April 30, 1866. As neither the president of Panama nor Rear-Admiral Pearson was vested with diplomatic powers, Mr. Seward held the view that the whole correspondence was out of place. He admitted that Admiral Pearson should have asked permission, but held that, in view of the friendly relations existing between the two countries, the criticisms passed upon his neglect to do so were uncalled for. He refused to discuss the main point at issue, that is, the right to land troops without the consent or permission of Colombia, and added: "A government cannot justly be expected to give explanations and guaranties in regard to the course it will adopt in hypothetical cases, where it has neither itself

[5] Wharton's "Digest," sect. 145.

done, nor suffered its agents to do, any act which implies a want of fidelity to its treaties and other international obligations."[6]

In view of the continuance of disturbances on the isthmus, Mr. Seward again found it necessary to define the position of his government. In a dispatch to Mr. Burton, October 9, 1866, he said: "The United States have always abstained from any connection with questions of internal revolution in the state of Panama, or any other of the states of the United States of Colombia, and will continue to maintain a perfect neutrality in such domestic controversies. In the case, however, that the transit trade across the isthmus should suffer from an invasion from either domestic or foreign disturbances of the peace in the state of Panama, the United States will hold themselves ready to protect the same."[7]

The treaty of 1846-48 did not provide specifically for a canal. In 1868 a discussion of the isthmian question was again opened by the United States, and Mr. Caleb Cushing was sent as a special agent to Bogota to assist Mr. Sullivan, the minister resident at that capital, in the negotiation of a canal treaty. As a result, a treaty was concluded at Bogota, January 14, 1869, providing for the cession of a strip of territory for a period of one hundred years and for the construction of a ship canal by the United States either directly or by a corporation chartered for the purpose. This treaty failed of ratification in the United States Senate. In January, 1870, a second treaty, somewhat similar in terms, was negotiated by Mr. Hurlbut, United States minister at Bogota. This treaty was so modified by Colombia that it was finally rejected by the United States.[8]

A discussion with the Colombian minister at Washington as to whether the treaty of 1846 was still in force was raised by Secretary Fish in 1871, based on the ground that General Salgar had proposed certain changes in 1867 and that this declaration of intention to modify the treaty acted as a notice of termination. It does not appear from the correspondence that Mr. Fish had any very serious intention of abrogating the treaty. In fact he seems to have raised the point merely to meet certain demands of the Colombian government in the matter of shipping privileges claimed under the treaty. In his note of May 27, 1871, however, Mr. Fish acknowledged the treaty

[6] Dip. Cor., 1866, III, 459, 526.

[7] Dip. Cor., 1866, III, 581.

[8] Correspondence in relation to the Proposed Interoceanic Canal, etc., 36, 61.

as being in force. He said: "Although literally and technically, pursuant to the clause of the thirty-fifth article of that instrument upon the subject, this government might hold that the application made by General Salgar for a revision of the treaty in anticipation of a lapse of the time for its termination might be held to have brought about that result, the intentions of the parties at the time may, as you observe, be allowed to govern the question. General Salgar in his notice did not say that if his proposition should not be accepted the Colombian government would regard the treaty as at an end, and Mr. Seward does not appear to have received that proposition as a formal notice of termination. His silence upon the subject may be fairly construed as indicative of an opinion on his part that, so far as the interests of the United States were concerned, no change in the treaty was required, and the form of the application of Colombia may also be construed to imply that, although she might prefer the changes proposed in that application, she did not regard them as indispensable to its continuance. Under these circumstances it may be said to comport with the interests of both parties to look upon the treaty as still in full force, but as subject to revision or termination in the form and upon the terms stipulated."[9]

In September, 1873, during one of the insurrections so common in Colombia, the transit suffered interference at the hands of insurgents. The Colombian authorities were called upon by the railroad company to render assistance, but owing to their inability to control the situation, United States marines were landed from the *Pensacola* at Colon and from the *Wyoming* at Panama. In his dispatch of October 29, 1873, Mr. Fish deprecated this necessity and outlined his position as follows: "By the treaty with New Granada of 1846 this government has engaged to guarantee the neutrality of the isthmus of Panama. This engagement, however, has never been acknowledged to embrace the duty of protecting the road across it from the violence of local factions; but it is regarded as the undoubted duty of the Colombian government to protect it against attacks from local insurgents."[10]

The question as to the right of the United States to convey criminals across the isthmus under the terms of the treaty of 1846 was raised in 1878-79. After considerable discussion this matter

[9] For. Rel., 1871, 243, 249.

[10] For. Rel., 1874, 363.

was settled by a special protocol, which provided for the joint custody of criminals in transit.[11]

In the eighth article of the Clayton-Bulwer treaty of 1850, the United States and England had committed themselves unequivocally to the principle of neutralization for any canal that might be at any time constructed across the isthmus at any point. The interpretation of certain clauses of this treaty was a matter of serious difference of opinion for several years. After the adjustments of 1860, however, the obligatory force of that treaty was not seriously questioned until interest in the canal was suddenly aroused by the Wyse concession of 1878 and the subsequent organization of a French construction company under the presidency of Ferdinand de Lesseps. The prospect of the speedy construction of a canal under French control produced a sudden and radical change of policy on the part of the United States. In a special message to Congress, March 8, 1880, President Hayes declared that the policy of this country was a canal under American control. He explained the reasons for this statement in the following language: "The capital invested by corporations or citizens of other countries in such an enterprise must, in a great degree, look for protection to one or more of the great powers of the world. No European power can intervene for such protection without adopting measures on this continent which the United States would deem wholly inadmissible. If the protection of the United States is relied upon, the United States must exercise such control as will enable this country to protect its national interests and maintain the rights of those whose private capital is embarked in the work."[12]

This message was accompanied by a report from the Secretary of State, Mr. Evarts, in which he called attention to the mutual engagements entered into between the United States and Colombia by the treaty of 1846 in reference to the transit route across the isthmus and declared that the guaranty of the neutrality of the isthmus and of the sovereignty of Colombia over the same would be a very different thing when the isthmus should be open to the interests and ambitions of the great commercial nations.[13]

President Garfield, in his inaugural address, approved the posi-

[11] For. Rel., 1879, 251, 271, 287. For. Rel., 1880, 319, 322.

[12] "Messages and Papers of the Presidents," VII, 585.

[13] Correspondence in relation to the Proposed Interoceanic Canal, etc., 313.

tion taken by his predecessor on this question, and very soon after assuming the portfolio of state, Mr. Blaine outlined the new policy in a circular dispatch to our representatives in Europe, cautioning them, however, against representing it as the development of a new policy and affirming that it was "nothing more than the pronounced adherence of the United States to principles long since enunciated by the highest authority of the government." He also called attention to the rights and duties devolving upon the United States from the treaty with Colombia of 1846, and stated that in the judgment of the President the guaranty there given by the United States did not require reinforcement, or accession, or assent, from any other power; that the United States in more than one instance had been called upon to vindicate the neutrality thus guaranteed; and that there was no contingency, then foreseen or apprehended, in which such vindication would not be within the power of this nation. Mr. Blaine further declared with emphasis that during any war to which the United States of America or the United States of Colombia might be a party, the passage of armed vessels of a hostile nation through the canal of Panama would be no more admissible than would the passage of armed forces of a hostile nation over the railway lines joining the Atlantic and Pacific shores of the United States, or of Colombia.[14]

With the long controversy that ensued between England and the United States as to the binding force of the Clayton-Bulwer treaty we are not here directly concerned. The French government, however, assured the United States upon more than one occasion that it did not aim at political control and expressed "its firm purpose to allow the character of the enterprise inaugurated by M. de Lesseps to remain an essentially private one."[15] The failure of the de Lesseps scheme relieved the United States of the danger apprehended from the construction of a canal under French patronage.

Meanwhile there was no serious interruption of the transit until April, 1885, when the Colombian government, through Mr. Scruggs, the United States minister resident at Bogota, confessed its inability during the civil war then being waged, to protect the route and called upon the United States to fulfill its obligations under Article 35 of the treaty of 1846. President Cleveland at once sent a

[14] For. Rel., 1881, 537.

[15] For. Rel., 1880, 385. For. Rel., 1881, 440.

body of troops to the isthmus with instructions to confine their action to protecting the line of the railroad from interruption or violence. As soon as peace was re-established there the troops were withdrawn.[16]

The treaty now pending is too lengthy and raises too many new questions to admit of a general discussion of its provisions in the limited space at our command. As far as the guaranties of the United States are concerned, however, the new treaty does not materially alter the situation. The third article declares that "all the stipulations contained in Article 35 of the treaty of 1846-48 between the contracting parties shall continue and apply in full force" to the canal zone, and "the United States shall continue to guarantee the neutrality thereof, and the sovereignty of Colombia thereover, in conformity with the above-mentioned Article 35 of said treaty."

As regards the conditions of intervention this treaty is more specific than the earlier one. By the terms of Article 23, Colombia agrees to provide whatever armed forces may be necessary to protect the canal, "but if the government of Colombia can not effectively comply with this obligation, then, with the consent of or at the request of Colombia, or of her minister at Washington, or of the local authorities, civil or military, the United States shall employ such force as may be necessary for that sole purpose; and as soon as the necessity shall have ceased, will withdraw the forces so employed." Under exceptional circumstances, however, the United States is authorized to act without obtaining beforehand the consent of Colombia. In this case immediate notice shall be given to Colombia of the measures adopted, and as soon as sufficient Colombian forces shall arrive those of the United States shall retire. These provisions leave the employment of armed forces largely in the discretion of the United States.

[16] For. Rel., 1885, 209. "Messages and Papers," VIII, 326.

Reciprocity with Cuba

By H. Parker Willis, Ph.D., Washington and Lee University

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Within the past three years, reciprocity with Cuba has consumed a large amount of space in newspapers, and has received a vast amount of attention in Congress and at political gatherings. The thought bestowed upon it has been disproportionate to its real importance, in consequence of circumstances which have conspired to bring it forward in a way which would not otherwise have been possible. As a result of all this, the Senate of the United States has given its assent to a treaty of reciprocity with Cuba and that document is now awaiting approval by the House of Representatives. Ratification of this treaty would be a defeat for reciprocity in general which could not easily be retrieved. That being the case, it is not too late to inquire whether we shall after all put our hands to the document under the influence of considerations largely political and sentimental in character, or whether we shall be guided by some larger principles of statesmanship than those which would dictate the hasty ratification of a treaty likely to produce the results already intimated. It is believed that an historical review of our relations with Cuba considered in the light of the general principles of reciprocity will furnish the basis for answering the question of expediency thus propounded.

I.

In considering our reciprocity relations with Cuba, three principal periods should be considered. The first covers the years immediately after 1880 when it was sought to avoid tariff revision in this country by the introduction of a reciprocity policy. This conscious effort to secure reciprocity made its appearance at that time, as will be remembered, chiefly because the tariff was then definitely before the public as an issue; while, in view of an industrial situation which dictated a more liberal policy in regard to raw materials and other prerequisites to manufacturing in competition

with foreign countries, the Republican party scarcely dared to go to the polls with a policy of unmodified protection. Conditions were rendered even more embarrassing by the promises, constantly made from other authoritative Republican sources subsequent to the civil war, to remove duties originally imposed upon manufactured goods because of military necessities.

In the search for some countries which could be induced to go into reciprocity negotiations in a way which would produce the desired results in the United States, it was manifestly impossible to place much reliance upon Europe. The European free-trade movement had already terminated, and in its place there had come an era of discriminating tariffs and a war of duties. Eastern trade had not then developed to a considerable extent. The effort to get into better commercial relations with Canada had been looked upon with disfavor ever since the close of our earlier reciprocity treaty. In short, the only part of the world which seemed thoroughly available as a place in which to develop markets was the continent to the south of us. We had long sought to get a greater control in South America than had actually fallen to our share, and some persons in the United States had been disappointed that our vigorous enunciation of the Monroe doctrine had failed not only to wean the South-American countries from their allegiance to the European nations with which they were most closely allied by blood, but also to draw them to our side, both commercially and politically. It is not to be doubted that during the period from 1880 to 1885 the idea that we might succeed in using reciprocity very much as it had been used in the case of Hawaii was popular with some statesmen. This point of view was manifested in the discussions over the renewal of the Hawaiian treaty as well as in many public utterances of the time. President Cleveland himself, while strongly antagonizing reciprocity as a whole, nevertheless felt called upon to concede to it a certain success in the case of Hawaii, and this later led him to favor the renewal of the Hawaiian treaty even in the face of his own declarations on the general policy therein involved. It is easy to see how men, who were not imbued with Mr. Cleveland's general notions on free trade or with his general opposition to all efforts for foreign dominion, should have readily grasped at reciprocity, not merely as a means of promoting commercial expansion, but also as a scheme for gaining a foothold in foreign countries.

The nature of the movement which was thus actively making in favor of reciprocity may be understood from a study of our efforts to secure reciprocity with Spain in regard to certain of her possessions. These efforts came to a head in 1884 when a treaty was finally negotiated providing for the grant of tariff concessions to us in Cuba and Porto Rico in return for similar reductions to the inhabitants of those islands trading with the United States. There were some features involved in this treaty besides those which related merely to commercial concessions. It was desired to supplement the old treaty of 1795 (with Spain) by some more modern provisions as to commercial freedom, the protection of the rights of persons and property, and the "most favored nation clause" which were not to be found in that document. The main object was, however, to extend our trade to the islands and to obtain such mutual arrangements in regard to shipping as would stimulate our commerce. In the treaty, as actually negotiated, American vessels were granted the same privileges as Spanish vessels in trade between Cuba and Porto Rico and the United States, this privilege applying both to our own goods and to foreign products re-exported from American ports. Certain restrictions and regulations to which our trade had always been subjected in the custom-houses of the Spanish possessions were abrogated by Articles iv, xvii and xviii. Moreover, the levying of new export duties on the products of Cuba and Porto Rico was prohibited. Tonnage duties were to be abolished and it was agreed that no greater internal revenue charges should be levied upon American products in the Spanish islands than upon native products. The abolition of consular fees was stipulated, and it was also ordered that tonnage fees imposed on all American goods shipped to Cuba and Porto Rico against which we had for some time past protested (as equivalent to the levying of a special duty on our merchandise) should also be withdrawn. Full protection to life, property and capital of American citizens in the islands was guaranteed, and the "most favored nation clause," interpreted according to our traditional policy, was recognized. On the basis of these more or less elaborate stipulations, there was built up a structure of mutual commercial concessions. Cuban tobacco, both leaf and manufactured, was granted a reduction of 50 per cent and sugar was relieved of a like proportion of duty. In return for this concession, free admission into Cuba was granted to all kinds of meat,

fish and fowls, lard, butter, cheese, fruits and vegetables and all kinds of grain, except wheat, the duty on which was reduced from $3.15 per hundred kilograms to fifty cents, while flour was reduced from $4.70 to $2.50 and $1.65 per barrel of different grades. Cattle, hogs and various agricultural productions were to be free. Thus an excellent show of securing openings for our agricultural products was made. The only trouble was that most of these articles were not imported by Cuba at all or were imported in very limited amounts. The real point of the treaty was found in the concessions guaranteed to American manufactured goods. They included almost every kind of material intended for building; all products of cast iron and steel; implements and tools, particularly agricultural; machinery and apparatus of various kinds and materials suitable for the construction of railways, for ship-building, and for other arts. On another long list of articles, large reductions were made and these were amply sufficient in amount to enable our manufacturers to compete with success against foreign producers of these same lines of goods.[1]

This treaty was regarded as highly favorable to the United States. Mr. Frelinghuysen, then secretary of state, wrote as follows concerning it:

"The need has long been recognized of some arrangement by which the natural markets of the large communities lying at our doors should be secured under beneficial terms for the principal productions of the United States. In return for this, we grant certain return favors whereby the articles, mainly raw materials or food products which this country does not produce, or produces in inadequate quantities, shall reach their market of consumption in this country. Tariff duties for the most part greater in foreign possessions in respect to manufactures than in the United States in respect to the crude materials we consume, have hitherto operated as obstacles to the desirable natural movement of trade between our ports and theirs. This has been notably the case with the Spanish Antilles. It follows, therefore, that any change which cheapens the price of the necessaries of life in Cuba and Porto Rico will increase the demand and so benefit the United States."[2]

The usual objections to the treaty were of course made.[3]

[1] A full discussion of this treaty may be found in Senate Executive Document No. 10, 48th Congress, 2d session.

[2] *Ibid.*, pp. 1–2.

[3] Mr. Blaine, when the McKinley act was under discussion, explained the history of the reciprocity treaties with Spain and Mexico, as follows:

"Six years ago the prime minister of Spain, in his anxiety to secure free admission to our markets of the sugar of Cuba and Porto Rico, agreed to a very extensive treaty of reciprocity

It was shown that whereas Cuba and Porto Rico supplied us with only a limited amount of our sugar and tobacco, the price of sugar to the consumer would remain about the same so long as any had to be imported from other countries, and the result would be that what we gave up in the shape of duties would simply go into the hands of Spanish planters in the shape of increased profits without stimulating our trade with the islands through lower prices and, consequently, stronger demand on either side. These objections, however, had comparatively little weight. The sugar production of the United States was inappreciable in amount compared with the total consumption, and there was something to be said in favor of granting concessions to Cuban sugar in order to put the refiners of the Atlantic Coast on more nearly the same basis with those of the Pacific Coast, since it would be possible for them to acquire control of sugar lands in Cuba as the Spreckels and other interests had done in Hawaii. Cuban tobacco, moreover, could not be considered a competitor of American tobacco. The trade of Cuba went predominantly to England and Germany, and it might be expected that the new arrangement would do much to turn it in our direction. On the whole, therefore, the treaty had many commendable features. It was unfortunate that the final arrangements were consummated just as an administration was to go out of office. It was sent to the Senate, but upon the accession of President Cleveland to office in 1885, it was withdrawn for further consideration and possibly for amendment. This action had its indirect as well as its direct effect. A treaty of the same kind with Great Britain covering our trade with the British West India Islands had been in process of negotiation, but these negotiations were broken off when England learned of the withdrawal of the Spanish treaty from the Senate. An agreement very similar to the treaty negotiated with Spain had also been arranged with Santo Domingo. One with Mexico was also under consideration.

with John W. Foster, then our minister at Madrid. A year before, in 1883, a very admirable treaty of reciprocity was negotiated by General Grant and William H. Trescott, as United States commissioners, with the republic of Mexico—a treaty well considered in all parts and all its details—whose results would, I believe, have proved highly advantageous to both countries. Both these treaties of reciprocity failed to secure the approval of Congress, and failed for the express reason that both provided for the free admission of sugar. Congress would not then allow a single pound of sugar to come in free of duty under any circumstances."—Letter of Secretary Blaine to Senator Frye, *New York Daily Tribune*, July 26, 1890, p. 1, col. 5.

II.

It was not until after 1884, however, that the idea of reciprocity with South America attained full growth and manifested its strength in the appointment of a commission, consisting of three members and a secretary, which was to visit the various South-American countries with the design of promoting trade relations between them and the United States. This visit, which culminated in the International American Conference of 1889, developed very clearly the fact that reciprocity with South-American countries, in order to be successful, must provide for reductions of duty upon either wool or sugar. The protected wool interests of the country were of course altogether too strong to be tampered with, but at the time of the International American Conference the development of the sugar interest had not reached a point where it was unreasonable to expect that its opposition to tariff reductions might be overcome. As the result of this situation, and again with the design of allaying tariff-reform sentiment at the same time that it sought to get rid of the troublesome treasury surplus, the McKinley act provided for reciprocity based upon concessions in sugar, tea, coffee and hides. Of these, only sugar was a real step in the direction of greater liberality since the reciprocity of the McKinley act was little more than a threat to impose duties on the other commodities—tea, coffee and hides—which had previously been free. The adoption of sugar as a reciprocity commodity, however, at least opened half way the door which had been pointed out by the South-American commission in its recommendation that wool and sugar should be used as the basis of reciprocity, they being almost necessarily the only commodities upon which we could hopefully depend in our effort to get into better relations with South America. This too was of special importance as concerned Cuba since that island was one of the South-American countries which would naturally base its reciprocity upon sugar, leaving wool as matter for negotiations with the countries farther to the south. It was in the natural course of events, therefore, that the treaty of June 16, 1891, should be negotiated with Spain acting on behalf of Cuba and Porto Rico. "Owing to existing treaties with other nations," as Mr. Blaine himself expressed the matter, it was necessary to adopt a temporary schedule, but the final provisions of the treaty became operative July 1, 1892.

Like all of the group of the treaties negotiated under the McKinley act, this agreement with Spain, in return for the concessions made in that act, provided for the admission into Cuba and Porto Rico of building materials of various kinds, unmanufactured iron and steel, mining materials, and machinery and railway construction-equipment without duty. It also admitted corn, wheat, wheat flour and various other articles at a considerable reduction of duty. Articles like petroleum, manufactured cotton, leather manufactures, etc., received a reduction of 25 per cent, while many kinds of iron and steel manufactures of a highly developed character as well as preserved meats, sauces, jams and certain other articles were granted a reduction of 50 per cent.

In the case of Cuba as in that of other countries, the object in the reciprocity treaty was to secure admission to that country for all those manufactured goods which we produced in large quantities, but which it was obliged to import either from the United States or from Europe. The underlying principle was to gain the market so far as possible at the expense of European sellers, and in return therefor to admit to our own market the reciprocity commodities enumerated by the McKinley act which were either not produced at all in the United States or in insignificant quantities only, and which, therefore, could not be dreaded as a source of possible injury to American producers.

Those who consider only the gross statistics of trade with the South-American countries which entered into reciprocity agreements with us under the McKinley act, would find it, in most cases, a matter of greater difficulty to recognize any particular effect directly traceable to the new treaty arrangements. Cuba, however, forms an exception. In the case of that island it appears that during a treaty period lasting from September 1, 1891, to August 27, 1894, exports from the United States largely increased, rising from $13,084,415 during the fiscal year ending June 30, 1890, and $12,224,888 for the fiscal year ending June 30, 1891, to $17,953,570 during the fiscal year 1892, and to $24,157,698 during 1893. Exports fell off again during the year ending June 30, 1894, when they were only $20,125,321, but the effect of the termination of the treaty was apparently seen during the year July 1, 1894, to July 1, 1895, when exports amounted only to $12,807,661, although a part of this decline must be attributed to general disturbances in the island.

There was thus a marked increase of trade with Cuba during the life of the reciprocity treaty. Taking the fiscal year ending June 30, 1893, when our trade reached its largest proportions, some idea of the effects of the agreement may be gained by examining the details of our exports. Of the $24,157,698, which represented our gross shipments to Cuba, the largest items were wheat flour to the amount of $2,821,557, general machinery $2,792,000, miscellaneous manufactures of iron and steel $1,344,000, lard $4,024,000, lumber $1,192,000, hams $761,000, illuminating and lubricating oils $546,000, bacon $557,000 and potatoes $554,000.13. In short, it thus appears that our large increase in exports to Cuba was really found in those particular lines which were favored under the reciprocity treaty.[4] On the other hand, our other exports to Cuba were in exceedingly small amounts. As to imports from Cuba during 1893 (when the gross amount brought to the United States was valued at $78,706,506 as against a total of $53,801,591 in 1890), it appears that the increase was narrowly confined to a very few articles. Sugar alone in 1893 amounted to $60,637,000, or more than the gross aggregate of our imports from Cuba prior to the treaty, while unmanufactured tobacco was about $9,000,000, a result which makes it evident that little else besides these two commodities came from the island during the year in question. The falling off in American exports after the abrogation of the treaty occurred chiefly in flour, meat products and machinery, while the decline in imports (which fell to $52,871,259 in 1895) was largely a falling off in sugar. That commodity again reached substantially the level it had found before the McKinley bill was passed.

III.

The practical abrogation of the McKinley treaties in consequence of the passage of the Wilson act in 1894, might have led to a decline in trade with Cuba under any circumstances, but as already intimated, the actual falling off must be attributed in part to general disturbances within the island. It seems to be clear, however, that the loss of the reciprocity treaty with the United States was sharply felt, and when, after the Spanish war, the question of making the Platt amendment an integral part of the Cuban constitution, came up, the

[4] House Report, No. 2263, 54th Congress, 1st session, pp. 245 ff.

desire of certain sugar interests for reciprocity made its appearance in a distinct form. President McKinley's alleged pledge to the Cubans that they should have a reciprocity treaty with the United States was probably given, if at all, without fully taking account of the fact that a sugar industry had grown up since 1890, which was determined to permit no infringement upon its protected preserves. On the other hand, it is quite likely that Mr. McKinley in making such a pledge—if pledge there was—fully realized that the step would be not displeasing to certain sugar interests in the United States which had acquired control in Cuba. The situation was rendered more difficult by the fact that the Dingley act which had, in 1897, superseded the Democratic legislation of 1894, had not replaced sugar on the list of reciprocity commodities in which treaties might be made solely by executive authority. It was, therefore, necessary that any reciprocity treaty with Cuba should receive the special sanction of the Senate since sugar and tobacco were the only articles in which it would have been worth while for Cuba to negotiate an agreement. Out of such circumstances grew the now familiar Cuban reciprocity struggle of 1901-1903. This struggle was the particular work of President Roosevelt, who on succeeding Mr. McKinley gave an informal pledge to continue the policies of his predecessor so far as practicable. It being supposed that President McKinley had definitely committed himself to the support of reciprocity with Cuba, this, therefore, was one of the inheritances thought to be carried over from the McKinley administration to its successor.

In his first annual message to Congress, presented at the opening of the session, 1901-1902, President Roosevelt used the following words:

"In Cuba such progress has been made toward putting the independent government of the island upon a firm footing that before the present session of the Congress closes this will be an accomplished fact. Cuba will then start as her own mistress; and to the beautiful Queen of the Antilles as she unfolds this new page of her destiny we extend our heartiest greetings and good wishes. Elsewhere I have discussed the question of reciprocity. In the case of Cuba, however, there are weighty reasons of morality and of national interest why the policy should be held to have a peculiar application, and I most earnestly ask your attention to the wisdom, indeed to the vital need, of providing for a substantial reduction in the tariff duties on Cuban imports into the United States. Cuba has in her constitution affirmed what we desired,

that she should stand, in international affairs, in closer and more friendly relations with us than with any other power; and we are bound by every consideration of honor and expediency, to pass commercial measures in the interest of her material well-being."

He thus unhesitatingly declared himself for Cuban reciprocity. He did more than this. He put the matter before Congress in such a way that it could not escape the consideration of the subject. He did not allow the political tricksters quietly to shirk the reciprocity issue as they had done for several sessions past, but he employed all the machinery at his command to force the issue upon Congress and compel that body to declare itself one way or the other.

As is well known, the issue was finally brought up in Congress apropos of a bill introduced by Chairman Payne, during the session 1901-1902 and providing for a reduction of our duties, conditional upon a similar reduction to be made by Cuba in her tariff. This reduction was to be 20 per cent, but even so small a decrease as this was resisted by our domestic sugar-growing interests in a way that gave rise to the bitterest fight that had taken place within the Republican organization for a long time. How this struggle turned out, how the lower house finally passed the Payne bill with a provision conditioning the reduction of duty upon a recasting of the sugar tariff in a way which would be distinctly distasteful to the refining interests which were supposed to be behind the Cuban reciprocity movement, how the bill was finally sent to the Senate and there ultimately hung up because of the difficulty of passing it without the amendments which were certain to be opposed by the refiners, is now a threadbare story. It was not until President Roosevelt had appealed to the country for support and had made Cuban reciprocity an issue in the Congressional campaign that he could count upon a majority that would assent to Cuban reciprocity. In the meantime, however, the situation in Cuba had materially changed. The taunts hurled in the faces of the Cubans themselves by members of the Congress of the United States, the fact that the price of sugar had improved subsequent to the decision of the Brussels Sugar Conference reached in the winter of 1901-1902, to abolish sugar bounties, and a variety of other circumstances had rendered the pressure from the Cuban side much less urgent. As a matter of fact, the administration found itself in an embarrassing position in the fall of 1902 through fear of what might happen if the Cubans should be unwilling to grant

us reciprocity even in case we should be willing to allow it to them. Hence the sending of Major Tasker H. Bliss to Cuba in the early autumn of 1902 to negotiate a treaty which should commit the Cubans to the idea of reciprocity with the United States, and which it might be easier to get ratified at this end of the line, than a bill to the same effect. Major Bliss' return with the treaty, the outcome of the elections in favor of the administration, and other circumstances, fully convinced the domestic sugar growers that assent to Cuban reciprocity in a formal way, at least, would be unavoidable. In a convention held at Washington early in 1903 the domestic sugar growers, bowing to necessity, were graciously pleased to yield their assent to reciprocity with Cuba, but in so doing, they had not yet said the last word. Their representatives in the Senate succeeded in introducing into the document prepared under the direction of Mr. Bliss, a clause, which, if it shall be ultimately preserved, will mean the total and ultimate sacrifice of South-American reciprocity for many years to come. The clause in question provided that so long as the treaty should last, it should not be lawful to reduce the duty on sugar coming from any other country than Cuba below the rates fixed by the Dingley tariff. It is upon such conditions that the Senate has ratified the treaty, which now awaits only the sanction of the House of Representatives to become law. The addition of this remarkable provision to the treaty by the domestic sugar growers adds another element of doubt to a situation already doubtful and makes it of double importance to decide whether we can afford to pay the price demanded for the whistle called "Cuban reciprocity."

IV.

The grounds upon which reciprocity with Cuba may be urged were fully stated in President Roosevelt's message to Congress of June 13, 1902. In that message, the President pleaded for reciprocity from four distinct standpoints. He contended that such reciprocity should be granted (1) because of a moral obligation to Cuba; (2) because of an alleged pledge given at the time the Dingley act was passed to adopt and put into force reciprocity treaties—owing to the unduly high tariff rates which had been provided for, with the distinct intention of lowering them when it should be practicable to negotiate such agreements; (3) because of the increased commercial

advantages which would accrue to us in consequence of the compensating reduction of duty to be made by Cuba; (4) because of political advantages resulting from the influence in Cuba probably to be acquired by us in consequence of generosity to the island.

This statement of arguments made by President Roosevelt fairly sums up what has been said by the pro-reciprocity pleaders of recent years. At first sight, it appears to be a rather heterogeneous mixture. It seems to prove too much. Any one of the arguments thus set forth would, if fully substantiated and allowed to stand alone, be a sufficient plea for the cause in behalf of which it is cited. But when it is sought to establish that the policy in question is the dictate alike of moral obligation, business advantage, political policy, and a promise already given, the argument seems almost to fall of its own weight. We can hardly do better, however, than to consider these arguments one by one, coming as they do from so authoritative a source and summing up most of the current discussion of the subject.

Of the various arguments for reciprocity with Cuba, none perhaps is hazier than that which claims a moral obligation on our part. This argument seems to be based upon two distinct contentions. The first of these is that President McKinley had promised such a reciprocity treaty. The second is that the Platt amendment, incorporated by the Cubans into their constitution was in itself such a pledge, or at all events evidence of such a pledge as, it has been claimed, President McKinley gave. Of the two arguments thus advanced, little or no weight needs to be given to the alleged promise of President McKinley. It has again and again been stated that such a promise was given, but up to the present time no documentary evidence to that effect has been submitted. On the other hand, it has been repeatedly stated on the floor of Congress that no such pledge had been offered, but that the Cuban delegation in Washington mistook kind words and promises of support from the President for an agreement on his part to see the reciprocity treaty through Congress. This portion of the claim, therefore, may evidently be neglected, and when it is further considered that, even supposing that such a pledge had been given, it must have been made without any authority from Congress, it is sufficiently plain that both the evidence that such a promise existed and any binding quality in the hypothetical promise, if it was ever made, are absent.

A more serious phase of this argument is found in the contention that the Platt amendment to the Cuban constitution constituted a practical pledge on the part of our Congress. Yet investigation will show that this argument is as empty as its companion piece.

The army appropriation bill containing this amendment was adopted by the Senate, February 27, 1901, and finally became law March 2, immediately following. As soon as the provisions of the Platt amendment had become known in Cuba there ensued a period of heated discussion. Many maintained that the Platt amendment would practically result in destroying Cuban independence. The right retained by our government in clause III to intervene for the preservation of Cuban independence, etc., was considered as giving us the authority to intermeddle with the affairs of Cuban government. An effort was made to destroy this impression by means of a dispatch sent by Secretary Root to General Wood on the third of April, in which the authority feared was expressly disclaimed. In spite of this protest, however, the Cuban constitutional convention continued to hesitate, until finally, June 12, 1901, it adopted an ordinance identical with the terms of the Platt amendment.

In discussing this important document, it does not appear that anything was said in Congress which would throw light upon the proper interpretation of clause I, regarding the power of Cuba to make treaties with foreign nations, except the general statement that the island should not thereby impair its independence. Commercial treaties were nowhere mentioned in the course of debates. Most of the discussion hinged upon our power of interfering in Cuban affairs for the purpose of preserving the independence of the island. The effort was made by amendments to the amendment to limit the authority granted in clause III, to interfere with the affairs of the island, either in case of foreign aggression, or in order to insure Cuban independence. No success, however, attended these attempts.

What the debate did do was to indicate very clearly the political authority which it was supposed this country might, upon occasion, assume. Senator Hoar described the amendment as:

"Eminently wise and satisfactory. . . . In substance, a proper and necessary stipulation for the application of the Monroe doctrine to the nearest outlying country . . . and under the circumstances one which the pro-

tection of the United States, as well as the protection of Cuba, fairly and properly requires. . . . I do not suppose that under this clause 3 the United States will ever undertake to interfere in such local commotions or disturbances as every country, especially every Spanish-American country south of us, is subject to. I do not suppose that is anybody's intention; but only in those grave cases where international interference is proper."

Naturally, the amendment was vigorously attacked by the Democrats, on the ground that to force such an amendment upon the Cuban Constitutional Convention was practically to violate our pledged faith in regard to the independence of the island by reserving the right to interfere and overturn the government whenever we might see fit. This view was expressed by Senator Jones, of Arkansas, in an extreme form:

"The reserving to the United States the right to maintain a government, the United States to be the judge of what that government is, adequate for the protection of life and property, would seem to me to be reserving to the United States the right to overturn the government of Cuba whenever it saw fit."

Senator Morgan took the same view, and further rebutted the contention of Mr. Hoar that the amendment was justified by the Monroe doctrine:

"The Monroe doctrine never had anything to do with a proposition like this. . . . It has no connection with that. That [Art. 3 of the amendment] gives us the right to go into one of these American states . . . [to] . . . exercise the power of the government of the United States for the maintenance of a government adequate for the protection of life, property, and individual liberty."

Senators Pettus and Tillman also forcibly expressed the opinion that the amendment was a distinct violation of the pledge to establish in Cuba an independent government. And an amendment proposed by Mr. Morgan, stating that the resolutions were submitted for the consideration of the Cuban Constitutional Convention and not as an ultimatum to Cuba was lost. Nowhere was it stated by the author of the amendment or by its supporters, and nowhere was it complained by opponents, that the obligation to look after the economic welfare of Cuba had been assumed by us.

Little needs be said of the contention that reciprocity with Cuba

is desirable in order to assure our prestige in Cuba and to still further support our control in the West Indies and our power over a prospective trans-isthmian canal. Since we already hold Porto Rico, since we could doubtless get the Danish West Indies if we were willing to pay a moderate price for them, and since the conditions of the construction of the canal are such as to render control of it, on the whole, of little worth, it might be concluded that the political argument could safely be disregarded and that political power in Cuba would be of small value to us in carrying out our canal policy. It may be, however, that there are some who would not take this view of the situation, but who would consider the possible acquirement of political control in Cuba to be worth the reciprocity price we are asked for it. To such persons, it would seem sufficient to suggest that the Platt amendment gives us all the political power in Cuba that we could properly obtain by any means whatever short of annexation. If, therefore, President Roosevelt and those who agree with him mean that reciprocity would be an easy means of promoting annexation (as was the case with Hawaii), this phase of the argument should be made clear. It is safe to say, however, that were it thus made clear it would call in few fresh supporters to the reciprocity movement. That the Dingley rates were put at a high figure for reciprocity purposes is undoubtedly true, but is an argument for reciprocity that applies quite as fully to all reciprocity as to reciprocity with Cuba. If, moreover, the latter will impede the general cause of reciprocity, argument based on the Dingley rates must fall to the ground.

The truth is that in discussing reciprocity with Cuba, the only argument that is really worthy of consideration is the claim that advantages in trade will accrue to us from such a relation. The question of trade may be looked at from two standpoints, that of Cuba and that of the United States. If we adopt the standpoint of Cuba, it will appear that the advantage to the inhabitants of the island flowing from reciprocity must depend upon whether they can succeed in getting a higher price for their products—chiefly sugar—in New York under a reciprocity agreement than they could if no such agreement existed. This in turn will depend upon two factors, viz, whether there be any demand for the Cuban product in New York and whether the product when raised and marketed in Cuba is or is not actually in the hands of Cubans or is owned by foreigners.

While the ownership of Cuban lands cannot be definitely stated, it is certain that large amounts of American and other foreign capital have been invested there, and that the benefit to be derived from sales of sugar at profitable prices would accrue only in part, if at all, to Cuban planters. Much sugar is sold on the spot to American buyers at ruling prices. It is also very questionable how far the ability to send sugar into the United States free of duty would benefit the planter since the existence of a close monopoly of the business of refining must inevitably imply as close a control of the demand for sugar and bestow upon the group of individuals who manage the refining industry the power to depress the price of the Cuban product by refusing to buy it. If in fact our refiners should, as is largely the case, pursue the policy of buying in Cuba at the rates established in the world market, and of buying no product in New York, it seems to be certain that the benefit of a tariff reduction would go to a considerable extent, if not wholly, to the refiners. In any event, none of the advantage would go to the American consumer, first because of the existence of the refining monopoly in the United States, and second because of the fact that our need for raw sugar so largely exceeds the supply of that article which could be produced in Cuba. So far as trade is concerned, therefore, it seems unavoidable that the advantages to be reaped from a reciprocity treaty will accrue chiefly to the American sugar refiner, and to some American manufacturers who may find in Cuba a market for their products which they would not otherwise have. Considering the interests of the American manufacturer, it is impossible to suppose that a 20 per cent reduction in our present high rates of duty would have as powerful an effect in turning Cuban trade towards us as did the free admission of Cuban sugar to the United States which occurred in pursuance of the treaty negotiated in accordance with the McKinley act. Yet under the McKinley act, our exports to Cuba increased only by from seven to twelve million dollars above what they had been, prior to the negotiation of the treaty, while our imports increased by some twenty-five million dollars, this increase being largely in sugar. The duties lost by us on the large increase in sugar imports were then greater than the total volume of trade added to our export business with Cuba in consequence of the reciprocity treaty. While it is true that the amounts of duties now to be sacrificed under the proposed reci-

procity treaty will be much smaller than at the time of our former experience, it is also true that the pull to be exerted by us upon Cuban trade will be, as just shown, much smaller now than it was then since the reductions of duty then offered to us ranged from total free trade on some articles to 50 per cent on others, while the smallest reductions of duty contained in the treaty were 25 per cent. On the whole, therefore, it is fair to expect that the amount of trade gained by our manufacturers would be smaller than the duties lost by the United States in consequence of reciprocity, and which would probably be paid, as we have seen, into the pockets of the refining monopoly which constitutes the sole market for the Cuban product in the United States.

As compared with the concessions granted us under our former treaty of reciprocity with Cuba, the reductions made in the new agreement do not seem very satisfactory. In return for the reduction of 20 per cent which we are to make upon all Cuban products, we shall receive a reduction of 25 per cent on machinery composed of copper, manufactures of cast iron or iron and steel, cotton and manufactures thereof, and various other articles. We shall also receive a reduction of 30 per cent upon butter, chemical products and drugs, some liquors, and certain manufactures, while 40 per cent is granted on knitted cotton manufactures, preserved fruits, paper pulp, wool and manufactures thereof, silk and manufactures thereof, rice and cotton. By a comparison with a treaty of 1891, it will be seen that many of the manufactures upon which we are now to receive a reduction of 25 per cent were admitted free under the original treaty, while many of those on which we are to receive a reduction of 30 per cent or 40 per cent were granted a reduction of 50 per cent under the earlier treaty. It would seem that there are few articles which receive better treatment under the new treaty than they did under the old. This is natural, since our concessions to Cuban products are so much smaller than they were formerly, it being understood that sugar constitutes the bulk of Cuban exports to the United States. While the number of articles of Cuban production actually mentioned in the McKinley act was small, the fact that they were admitted free of duty much more than makes up for the fact that we now propose to let in a large range of articles which are imported either not at all or in very small amounts.

A prime consideration worth attention in connection with the

pending treaty has been already suggested. This is the amendment which was added to the treaty of the beet-sugar men in the form of an addition to Article 8. That addition ran as follows:

> "Provided, that while this convention is in force, no sugar imported from the republic of Cuba, and being the product of the soil or industry of the republic of Cuba, shall be admitted into the United States at a reduction of duty greater than 20 per centum of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, and no sugar the product of any other country shall be admitted by treaty or convention into the United States while this convention is in force, at a lower rate of duty than that provided by the tariff act of the United States approved July 24, 1897."

It will be recalled that the commission sent by us to South America in 1884 reported distinctly that "in any convention we, on our part, must admit wool or sugar free of duty, or at greatly reduced rates." It has for a long time seemed to be out of the question to think of securing tariff reductions in wool, and if reductions in sugar are similarly put out of the question by a clause like the one just quoted, we shall be cut off from the use of either wool or sugar as a basis for South-American reciprocity. Inasmuch as the South-American commission regarded these commodities as the only ones upon which South-American reciprocity could be based, it seems also clear that cutting ourselves off from these means cutting ourselves off altogether from any possibility of South-American reciprocity. That being the case, the passage of the Cuban treaty will be a serious defeat for the cause of reciprocity in general, and, since most of the Kasson treaties were founded upon concessions in sugar to South-American countries, the acceptance of the Cuban agreement will mean that the Kasson treaties have been definitely laid upon the shelf for all time to come.

There is another point well worthy of note in connection with the pending reciprocity treaty. This is that we are already doing all that could be expected of us in protecting Cuba, by our policy of levying discriminating duties on sugar coming from other countries. Under the McKinley act of 1890, we merely admitted free the sugar product of Cuba along with that of several other large sugar-producing countries. Of these countries, some, at least, paid export bounties so that Cuban sugar, even when it enjoyed a free entry into the markets of the United States, was in an unfavorable position as compared with the products of other countries. At the

present time this situation does not exist, since we levy our discriminating duty on all bounty-fed sugars,—to which class that of Cuba does not belong. For that reason, Cuban sugar is really better off with regard to the United States market than it ever has been in the past. Should we grant to Cuba a reduction of 20 per cent in our tariff on sugar while at the same time we gave it the discriminating duty, we should be offering altogether unnecessary advantages to Cuba, and since, by the terms of the treaty, it is proposed that we cut ourselves off from making similar tariff arrangements with other foreign countries, these other countries would have, if they chose to seek it, unmistakable ground for complaint.

The truth is that reciprocity with Cuba, in its present shape, is a matter of no interest whatever to our consumers, and of very little interest to our manufacturers. It is of importance to the Americans who have become interested in Cuban lands, and it is of importance too, to the refining interest which hopes by this means to get its raw material cheaper. How far it will help the Cuban planter is problematical. To the American statesman, interested in our foreign relations, it is a question of absolutely no consequence unless he be an annexationist, for we already have a sufficient control of the West Indies and all the political influence in Cuba that reasonable men could wish for. Seldom, perhaps, in our history, has there been a more needless and unwarrantable drain upon public emotion and sympathy than in the case of the Cuban reciprocity controversy.

V. Commercial Relations of the United States with Latin America

Causes of Our Failure to Develop South-American Trade

By Honorable Frederic Emory, Chief of the Bureau of Foreign Commerce of the Department of State, Washington, D. C.

CAUSES OF OUR FAILURE TO DEVELOP SOUTH-AMERICAN TRADE

By Honorable Frederic Emory

Chief of the Bureau of Foreign Commerce of the Department of State, Washington, D. C.

From a survey of reports from our consular officers during the past decade, it would seem to be evident that the main cause of our failure to develop South-American trade is that we have practically left it to develop itself. There has been no lack of agitation of the subject among our business men, or of efforts on the part of the federal government, by the appointment of visiting commissions and instruction of its diplomatic and consular representatives, to supply the information and incentive for concerted action. During this whole period, moreover, there has been in existence a special agency, in the Bureau of the American Republics, for promoting trade between the Latin-American countries and the United States, which, in recent years, has had the cordial support of all the governments, and from its inception, has had the active co-operation of most of them. If, with all these advantages, we have made but little progress except in the countries nearest us—as Mexico, Central America and the West Indies—may we not conclude that the causes lie in purely commercial conditions and not in any lack of artificial aids?

The meagre results of our trade propaganda in South America are the more remarkable, in view of the fact that our consuls tells us that American goods find favor everywhere, and in many instances, are preferred to similar goods of European origin. Thus, for example, the Argentine Republic takes our barbed wire and agricultural implements; Brazil, our sugar mills and saw mills, our plows and reapers; Chile, our railway supplies; Colombia, our coffee and sugar machinery, glassware, hardware, beer and wines; Ecuador, our axes, shoes, furniture, clocks, cutlery, hardware, stationery, canned goods, etc.; Peru, a great variety of articles, including agricultural and mining machinery, hardware, clocks and watches, typewriters and cottons. In Uruguay, our agricultural implements are

making headway and we are also selling windmills, harness, carts and wire. In Venezuela, our drugs, rope, wire fencing and cotton goods find favor. It should be noted that, in all these articles, we have to compete with European goods.

It must be assumed, therefore, that in general, the fault does not lie with what we have to sell the South Americans—although, of course, we are at a disadvantage in not manufacturing, as the Europeans do, especially for their market—but in the lack of proper instrumentalities and of vigorous effort to extend our trade. Most persons, in considering the subject, seem to assume that, if the proper instrumentalities were supplied, the requisite effort would not be wanting, and that the volume of our sales would soon begin to show a large increase. It has seemed to me, however, that this—to use a homely phrase—is putting the cart before the horse. The establishment of adequate steamship lines and of better banking facilities; the extension of more liberal credits; the adoption of methods of packing specially suited to South-American conditions; the production of goods in qualities, patterns, dimensions to meet local tastes or trade requirements; the employment of commercial travelers able to converse with the people in their own language; the adjustment of tariff relations on a more liberal basis of exchange—all these are important agencies of growth, which have again and again been urged by our consuls, and here at home have too frequently been regarded as all-sufficient panaceas. But of what avail, in a large sense, would any of them be, if our manufacturers and exporters failed to utilize them except in a casual and negligent manner?

It is just here, it seems to me, that we find the key to the whole situation. Until the business community of the United States makes up its mind that it is worth its while to go into South-American trade on the large scale of its dealings with Mexico, with Canada, with Europe, the tools and vehicles we might provide could not be profitably employed. That our export interests have not arrived at this decision as yet is a proposition that can hardly be disputed. The plain truth is that the home market still absorbs all the energies of the average manufacturer, and will continue to absorb them so long as times are prosperous and there is an active demand for his goods. It is only when the home market becomes stagnant or depressed that he looks abroad, and then merely for openings to dispose of accumulating stocks. He has but a transient interest in foreign trade, and

waits with longing for the revival of domestic prosperity. Exception must be made, of course, of some of our industries which, pursuing a far-sighted policy, continue to cater to foreign custom even when they are pressed to fill home orders, knowing that, if they hold the foreign markets they have won throughout a period of active demand in this country, they will not have to win them back again in the hour of need, but will always have them as a safety-valve in times of repletion. In general, however, we cannot be said to have got much farther than the incipient stage of development as a nation manufacturing for export, and thus far, in selling goods abroad, we have been content to follow easy channels and to seek only those foreign markets that make the fewest demands upon us other than those we are accustomed to meet at home.

It is for these reasons that our greatest measure of success in selling manufactured goods has been won in Europe, in Canada, and in Mexico. The European countries and Canada, especially, consume much the same kinds of goods as we manufacture for our domestic customers, and we have the advantage of conceded superiority in many articles, especially those of a labor-saving character. Moreover, the facilities of trade intercourse are relatively cheap and ample, and the conditions of exchange, such as terms of payment, tariff regulations, freights, methods of packing, etc., are well understood. But even with these countries, there has been, during the past year or two, a marked subsidence of our export activity, due to general prosperity and the greater profits to be reaped at home. This fact would seem to prove beyond cavil that sales to foreign customers are still, as has been intimated, very much of a side issue with most of our industries. Our consuls have frequently commented of late upon the indifference shown by American manufacturers to foreign orders. In a report printed by the State Department on the seventh of April, for instance, Consul-General Lay, of Barcelona, says: "In consequence of the prosperous state of trade in America, I find little or no desire on the part of our manufacturers to interest themselves in commerce with Spain at present. In one case which came under my notice, a trial order for a sample lot of goods was sent to a firm in the United States, along with a remittance in payment, but the order was declined on the plea that, being unable to cope with the demand at home, foreign orders could not be accepted."

If, for business reasons of this character, we find it advisable

for the time being to neglect our more profitable foreign customers, is it to be expected that we shall put forth very strenuous efforts to win less accessible and less remunerative markets, such as those of South America? Upon the other hand, that there are no insurmountable barriers to the extension of our trade over that continent because of racial or other differences is clearly shown by the remarkable growth of our sales to Mexico and the investment of American capital in that country to the amount, as estimated by our Consul-General, Mr. Barlow, of five hundred millions of dollars. Our progress in other Latin-American markets which are within easy reach, such as those of Central America and some of the West India Islands, affords similar ground for confidence, and we may safely conclude that, if we can compete with European goods in European markets, we need not fear their rivalry in South America when we set to work in earnest to bid for the trade.

The whole problem, therefore, seems to resolve itself into this: Shall we have to wait for such slackening of home demand as will again induce export activity before our manufacturers can be persuaded to enter seriously upon the commercial invasion of South America, or will our enormously increased and constantly increasing output of manufactures create, of itself, a condition of surfeit which will ultimately compel us to a systematic effort to find and maintain new outlets for our surplus goods, not only in South America, but in other parts of the world to which we have shown ourselves to be more or less indifferent?

The solution is to be found only in the course of events, but it may be assumed that one or the other result is sure to follow. In the meantime, it is most desirable that we equip ourselves by study, by organization, by experimental effort, and so far as possible, by providing mechanical facilities such as transportation lines, banks, tariff agreements, etc., for making the most of the opportunity when it comes.

European Trade Relations with South America

By Wilfred H. Schoff, Secretary of the Commercial Museum, Philadelphia

EUROPEAN TRADE RELATIONS WITH SOUTH AMERICA

By Wilfred H. Schoff

Secretary of the Commercial Museum, Philadelphia

The subject of our trade relations with South America is one which has commanded the attention of our statesmen for many years past, and particularly since the great work of Secretary Blaine in calling attention to the bright promise of future trade under the encouragement of reciprocal treaties. It has been so often pointed out as to be familiar to everyone that our imports from South America have steadily increased in proportion to the increase in our own population and the demand for staple South-American products such as coffee, rubber and chocolate, while at the same time our exports of American products and manufactures to the South-American republics have remained practically stationary, or in some cases have even decreased within the past generation. It is generally assumed that this unfavorable balance of trade is absorbed by our European competitors, and that in some way we are failing to secure our just share of the import trade of that continent; the corollary being that the European nations, Great Britain, Germany and France more particularly, are selling a larger share of commodities than their purchases would ordinarily warrant. It is the purpose of this paper to point out some of the causes which must prevent us from forming such a conclusion.

The foreign trade of South America is, and always has been, different from that of the United States, and the causes must be sought for in the different character of its natural resources and the different method by which the continent has been peopled and exploited. There was only one strong motive which led to the early expeditions of discovery and settlement in the western world, and that was the search for gold and the other precious metals to swell the treasuries and promote the development of the European nations, which were then being awakened by the Renaissance from their millennium of sleep. It was due to the discoveries of Columbus and

the conquest of Cortez and Pizarro that the Spanish Empire was brought in the sixteenth century to the pinnacle of its power in Europe, and it was the one thought of the adventurers who laid claim to the new lands in the name of the Spanish crown that the gold and silver mines which they contained would contribute to the maintenance of their home country as the dominant power of Europe. Their expeditions were all organized to seek for precious metals and not to settle, till and peaceably develop. The territories overrun by the Spanish conquerors received no economic benefit from their visitation. If gold were found or seized, it was shipped to Spain, and when the soldier-adventurer's thirst for gold was satisfied, he returned to enjoy his wealth at Madrid or Seville. Under the rule of the Spanish kings, the policy was for a partition of the continent among a relatively few favored parties, who were in a measure held responsible for the draining of the territories committed to their care. This policy was not materially changed in the Brazils after the separation of Portugal from the Spanish crown. Although the colony yielded little gold, the agricultural production under the slave system amounted to the same thing.

North-American settlements did not begin until a century later. The north Atlantic coast, shunned by the Spaniards because of its bleakness and the absence of any known deposits of gold, became attractive to European enterprise only when religious differences and the growing restiveness of the middle classes and country population in northern Europe created a demand for territorial extension and colonization. The settlers of the English, French and Dutch colonies, Canada and Louisiana were men who had broken their home ties and who came to the New World to recreate their farms and homes under conditions of greater religious and economic freedom. Their very existence depended upon their ability to increase and develop the economic value of their surroundings and to replenish, rather than diminish, the productive power of the land. This class of settlers found little encouragement in the Spanish main, and the forays of Drake and Hawkins brought no practical return beyond the temporary money loss to Spain. And in Spain itself, there was no popular movement in the direction of religious freedom or of economic advance which could make sufficient headway to encourage any tendency to permanent colonization by the middle classes. The American colonies of Spain and Portugal

remained, then, as closed preserves dedicated to the search for gold and to production by slave labor; and when the Spanish power crumbled and went to pieces before the successive onslaughts of England, the French monarchy and Napoleon, the descendants of these first conquerors, who had remained in possession and who so nobly fought for and won their national freedom, found themselves masters of a house swept clean, a land impoverished of its mineral wealth and without a population trained to agricultural industry, economy or mental freedom. Under such conditions the history of South America, after the recognition of its independence, could not be other than one of commercial stagnation, and for a time even of national retrogression.

The American republic found itself at birth fully equipped with the elements of national progress. Agricultural development had been the mainstay of the land for a century, and the ravages of the war were quickly repaired. The South-American republics, on the contrary, found themselves with the elements of progress all to create. Agriculture had been left for the most part to the half-breeds and slaves. Gold and silver had been drained from the land until the mines were apparently worked out, and the responsible population, of high breeding, bravery and energy though it were, was yet too sparse to make much of a showing over the vast areas committed to its control.

In the face of such conditions, the South-American proprietors naturally took the most direct means to the acquirement of wealth. Their land was rich and fertile, the warm tropical sun left them little work to do in the planting and harvesting of crops, and their over-sea trade in tropical staples, already of importance in the colonial times, was developed as far as possible; but even so, the path of the new nations was not an easy one. As long as Brazil remained a part of the kingdom of Portugal, Brazilian coffee, sugar and chocolate were entered free in the market of Lisbon and thence sold throughout southern Europe. With the separation of Brazil and the establishment of the empire under Dom Pedro, these commercial favors were withdrawn, and Brazilian coffee, shut out of the Portuguese market by preferential tariffs in favor of the remaining Portuguese colonies, had to seek a market elsewhere. The United States, always the most valuable market for the sale of coffee, did not yet furnish a large consumption, and the destructive wars of the Napo-

leonic period, which had forced the imposition of heavy taxes upon all articles of consumption in France, Germany and England, stifled the coffee trade there. It is worth remembering that the English tax upon coffee has never been removed, and that one of the most promising markets in the world is still closed to this most important article of Brazilian production.

Greater obstacles confronted the South-American state-builders than those which our forefathers had to surmount. The east coast settlements, separated from the west and from each other by leagues upon leagues of impassable jungle, and infested not only by hostile savages and wild beasts, but by that more insidious enemy—disease, were thus prevented from establishing means of intercommunication, and in large measure turned aside from the ambition to explore and push their settlements toward the interior. There grew up, then, a series of isolated communities in which local passions and narrow political strife found easy sway.

The influential men of the new states were not blind to the difficulties which beset them. They saw clearly the need of opening up the country and providing means of communication which should permit the planting, harvesting and shipment of crops and the cheaper transportation of ores to the coast. As the country did not itself possess sufficient accumulated wealth for the accomplishment of such a purpose, it became necessary to float foreign loans, and as early as 1824 the Brazilian government came before the bankers of London for a substantial issue of bonds. In the temporary enjoyment of greater political stability through her imperial form of government, Brazil was able to establish her credit sufficiently to issue new loans as the need arose to convert and carry on the old and still to maintain a position of confidence in the London market, but, unfortunately, a large part of these loans went, not into permanent improvements in the country such as would increase its productive capacity and actual wealth, but into the liquidation of current deficits and the cancellation of internal indebtedness. Year by year they built up a debt which seriously threatened their credit and very existence. It is true that railways and other public works were constructed and that a comparatively large area was thrown open to the cultivation of coffee, but this very development seems to have resulted in ultimate loss to the country through the enormous over-production of coffee which followed and likewise through the concentration of

the productive capacity upon a single crop, which in times of high prices might bring wealth to Brazil, but in lean years meant poverty, deficits and greater indebtedness. To this misfortune was added the far greater one of a depreciated and fluctuating currency. The original gold coinage of Brazil was replaced first by Peruvian silver, which yielded the government a profit of 20 per cent, and this silver was greatly debased by alloy until it reached such a point as not to be passable, when it was replaced by paper currency, which as early as 1819 had become redundant. The Brazilian nation at its outset found itself confronted by a premium on gold and a corresponding lack of power in the world's markets. Since 1825 the milreis has been quoted at its par of 27 pence at the rarest intervals, falling to 17 pence in 1868, again to 19 in 1886, and touching par on the eve of Dom Pedro's overthrow in 1889, only to fall within the next six years to such a point that at the lowest quotation, 5 pence and a fraction, the total receipts of the government would have been barely sufficient to meet the interest on its foreign indebtedness. With a currency of such unstability, it was of no value to the country that its soil was fertile and its climate productive. A good year too often meant an over-production of coffee and fall in prices and a further depreciation of the currency; while the nation seemed to learn few lessons from its reverses and made no movement toward the cultivation of other crops either to feed its own people or to provide a reserve of income when the price of coffee should fall. This still continues as a striking feature of Brazilian production. The rich uplands of the state of São Paulo, capable of raising in superabundance any crop known to the science of agriculture, are devoted altogether to the coffee tree, and the fazendeiros must too often submit to the destruction by fire or decay of their unsalable coffee; while the breweries, in the valleys around which tons upon tons of hops and barley might be produced, are forced to send to Germany for those materials.

The position of Brazil, it is true, is somewhat different from that of the other South-American nations, and yet its vast area, practically one-half of the entire continent, and its population, certainly two-fifths of the whole, have to an extent caused it to influence the trade and economic position of its neighbors; and the foreign trade of Brazil, as already indicated, is sufficiently uncertain to deter the average business firm, unacquainted with its peculiarities, from ven-

turing to enter it. The exports of Brazil have steadily increased in money value and enormously in weight, while the imports, representing largely the purchasing power of the country, have been practically stationary for the last twenty-five years. The favorable balance of trade shown every year on the face of the returns, has brought the country little added wealth, and has generally been absorbed by the deficits in the budget and by fluctuations in foreign exchange. The policy of protection to national industries has been steadily followed, but the resources and climate are not such as to encourage manufacture to any great extent, so that the finer qualities of all lines of goods must still be purchased abroad. The stationary volume of imports bears mournful witness to the lowered purchasing capacity of the nation. In twenty years the exports of Brazil have more than doubled, while in thirty years the imports have increased by less than 20 per cent, and the quality of imports has been very fluctuating, with a notable tendency to cheaper purchases in all directions.

The experience of Brazil and that of her southern neighbor, the Argentine Republic, are in many respects similar. Blessed by a less tropical climate, and possessing vast areas of arable land, the first ambition of the Argentine statesman was to secure the construction of railways, and both domestic and foreign loans were floated for this purpose. A succession of good years and high prices, made higher by an unfortunate year or two in Russia and the United States, turned the eyes of Europe upon the Argentine Republic as one of the world's most important granaries. English capital was poured into the country for the construction of railways and the development of wheat and grazing lands, and for a time it seemed as if any Argentine proposition, good or bad, was certain of a favorable reception in the money market of London. Great railway systems were constructed upon the proceeds of these public and private loans, largely through unsettled territory. Vast areas of private lands were hypothecated as security for more loans, often far in excess of the mortgage value. Finally the inevitable crash came, and with the Baring failure and the resulting merciless liquidation the Argentine Republic found itself in the same condition of temporary over-production of one or two staples, depreciated currency, reduced purchasing power abroad, and compulsory retrenchment. The Argentine statesmen were, however, in a better position than their

Brazilian brethren. They had more lines of railway built and a greater area of land opened up to settlement and cultivation. Their climate was more suited to foreign immigration, and their homogeneous people encouraged and welcomed such immigration. It was not many years, then, before the republic began to recover its losses, and to-day, after a bitter period of commercial stagnation, there are abundant signs of returning stability and prosperity.

The history of the west-coast republics is similar in general tendency, if not in detail, to that of their larger sisters to the east. Through over-assurance in the floating of loans for internal improvements, judgment in the expenditure of the funds received, often, to say the least, unfortunate, torn with internal dissensions and local jealousies, their path through the century has not been of the easiest. They, too, have suffered through financial stringency and depreciation of currency, but are fortunate in having been the pioneers of a movement in the direction of saner financial methods. The currencies of Peru and Ecuador have been firmly fixed on the basis of ten dollars to the pound sterling, with a gold currency and reserve. The Chilean currency is now, after some uncertainty, fixed at the rate of eighteen pence sterling to the Chilean dollar. These new standards, although a reduction in scale from the old, mean stability in foreign exchange and a uniform purchasing power, based more nearly upon the actual productiveness of the country. With losses less in volume to recover, with a territory not so great in extent and more easily opened up to exploitation, and with a fortunate subsidence of the deplorable internal disorder, these three republics have now been enabled to lay the foundation of a sound and enduring over-sea trade, which will unquestionably be greatly expanded by the construction of an isthmian canal and must eventually come in large share to the United States. The prospect of a similar development in the River Plate republics and Brazil is by no means clear. The English, German and French capital, so liberally invested in those republics, has yet in large part to be made profitable, and the machinery of finance is necessarily in the control of European money centres. The banking institutions of the Argentine Republic and Brazil continue under the direction of English, French, German or Italian financiers, and the development of the country and its further opening up to outside settlement is dependent largely upon them. Where it is to the banker's interest to remain and watch his invest-

ment, it is naturally to his interest also to encourage the development of trade in both directions, and as it happens that Brazil and the River Plate republics have shown themselves capable of producing in large measure and at a low price articles of primary consumption required throughout Europe, a profitable trade in such products has been built up and enormously extended during the past twenty years. Fast and well-equipped steamers have been built to carry the wheat, hides, wool, frozen beef and mutton from the Argentine Republic and Uruguay and to carry coffee, tobacco, sugar, cacao and rubber from the different states of Brazil. These steamers are all built and controlled by European capital and ply to European ports. The racial traditions of the merchants at each end of the line are a compelling factor in the strengthening and further extension of such a trade. The distance to be traversed is actually less between the ports of southern Europe and Buenos Aires than between Buenos Aires and New York, and the manufactures of England, France and Germany are in constant, though not notably growing, demand in South America. The immigration is increasingly from southern Europe and Germany. There is, therefore, every reason for the continuance and extension of trade between eastern South America and Europe and many reasons against the development of trade between that section and the United States.

Our relations with Brazil are, of course, more important than with the Argentine Republic, but the figures of that trade, when compared with the general trade between Brazil and Europe, do not show such a disadvantage in our direction as might be supposed. We buy, it is true, sixty millions per year and sell only twelve; but the world at large buys of Brazil nearly two hundred millions and sells less than one hundred. With the Argentine Republic, on the other hand, we are dealing not only with a far-distant country, but with one that is actually a strong competitor in its line of production in the markets of Europe. It is quite within the bounds of reason to expect that with the increase in our own population and the relative reduction in the area of our land under cultivation, more and more of our agricultural products will be required at home, and our exports of such products to Europe will be steadily displaced by those from the Argentine Republic and Uruguay. At present we sell to the Argentine Republic more than we buy. No other great nation is so favored.

How far will the present tendencies of trade in eastern South America change as those nations work themselves free from the clutches of unstable finance and become independent of European control? Racial ties, geographical position and established lines of communication will all tend to maintain the present status. A wider spread of intelligent ideas and a more liberal public education will undoubtedly lead to a more rational development of their own resources in such a manner that the fruits of their industry will accrue to their own enjoyment. The absence of any extensive deposits of iron and the comparative poverty of their coal fields must prevent any great manufacturing development such as has taken place in the United States. Brazil and the Argentine Republic must continue indefinitely to depend upon their exports of natural products as the basis of their foreign trade and national life. They are in the world's markets, then, to dispose of their goods to the best customer and to buy what they require where the best bargain can be made. The wool clip of the Argentine Republic is now almost entirely consumed in France, England and Germany, the cereals are distributed all over Europe, the hides go to France and England, and the frozen beef and mutton, the beef extract and the by-products of the cattle industry also find a ready market in France and England. The conditions in the United States are very different. We require little of all this wealth of production, unless it be hides and wool, and up to the present time both of these products have been excluded from our markets by protective duties. That a growing need on the part of our woolen and leather manufacturers may cause a future reduction of these two duties is quite possible, but even then the volume of trade coming to this country would be so small as to require no particular change in banking methods or shipping facilities to take care of it conveniently. We must look to an increase of trade in the Argentine almost entirely along the lines of specialized manufacture required for the development of that country. This trade must still continue of an occasional character, and the ships chartered to carry the merchandise exported must either look for return cargoes to Europe or come north to Brazil for a cargo of coffee or other tropical products.

Our trade with Brazil may be expected to increase as our need for coffee and rubber increases, but as we are already among the largest per capita consumers of both those products, a more natural

field of increase would be in England, where coffee is still excluded by high taxation, or in such of the European countries as are not now addicted to its use.

The annual per capita consumption of coffee in the United States is nearly ten pounds, and in England, where the war taxes of the Napoleonic period are still levied upon coffee, the per capita consumption is less than three-quarters of a pound. With the exception of Holland, where the consumption is about twelve pounds per capita, no European country equals the United States in this respect, and in most of them the consumption is less than half.

The European capital which has entrenched itself in Brazil and the Argentine Republic will naturally fight to maintain its position, and will be content with the slow working-out of prosperity through periods of depression, of long credits, low interest and uncertainty rather than withdraw and leave the fruits of its labor to a newcomer. Along the west coast, however, where English and European capital has been directed almost entirely to the production of specific commodities, such as nitrate of soda, there is more opportunity for new spheres of influence and much more prospect of commercial and financial relations with the United States. Ever increasing their natural strength, directing their best intelligence to the devising of more stable currency and banking institutions, and applying to their own advantage the knowledge obtained from other countries, the future statesmen of Brazil and the Argentine Republic may be expected to form two nations well fitted to enter into the fellowship of American powers and to help defend the weaker members of the fellowship from outside aggression; but it seems inevitable that this relation of fellowship will continue political and not commercial. Their commerce will continue to follow the line of least resistance, and their own merchants, no less than their associates in England, France, Germany and Italy, will look to the future to retrench the losses, uncertainties and delays of which the past has been so unhappily productive.

Argentine Commerce with the United States and Europe

By Señor Ernesto Nelson, Argentine Republic

ARGENTINE COMMERCE WITH THE UNITED STATES AND EUROPE

By Señor Ernesto Nelson

Buenos Aires, Argentine Republic

Since 1818, when Henry Clay asserted that Spanish America would, in the course of time, necessarily be animated by Pan-American sentiments, the idea has been agitated more or less constantly in this country, of uniting the different nations of this hemisphere in one great federaton of commercial interests. However, the results thus far accomplished by the different Pan-American Congresses have not been great. Indeed, the well-known English journalist, Mr. William T. Stead, stated merely an unpleasant truth when after visiting the different American countries he said, last year, that few parts of the world had been less Americanized than South America. Mr. Stead's dictum is, of course, too positive and overlooks the work done in these last years by the Philadelphia Commercial Museum and numerous other agencies.

The closer geographical connection with the tropical zone of South America has caused the people of the United States to exaggerate the unlikeness of productions of North and South America. No portion of Argentina is within the tropical zone. Argentina's latitude is similar to that of the United States. If the surface of the earth could be folded over the equator and the southern hemisphere laid upon the northern, Argentina would extend from Texas to the Northwestern Territory, in Canada. From this fact, it may be inferred that the agricultural conditions of my country are very similar to those of the United States. The Mississippi valley has its counterpart in the La Plata valley, where cereals are the staple of production; the boundless plains are repeated in the fertile pampas, where large herds of Durham and Hereford cattle and flocks of Lincoln and merino sheep are fed with the rich natural pastures; the cotton region is represented by the Paraná delta, the climate of which resembles that of Georgia, Mississippi and Arkansas. Sugar-cane is raised in Santiago, Tucumán and Chaco as in Florida. The same

tobacco which has been grown in Maryland and Virginia has prospered under cultivation in Misiones. The attempts to establish coffee plantations in Texas and Florida were followed by similar and fairly successful experiments in Tucumán and Jujuy. The vineyards of California are repeated in the Andes, where they cross the provinces of Mendoza and San Juan. The primeval forests of the northern states are recognized in the entangled woods of Tierra del Fuego, in the southern extremity of the continent. Wheat culture is a success in the more northern regions of the United States and in the southernmost part of Patagonia.

The statement is frequently made that social and commercial intercourse between our two countries is obstructed by lack of transportation facilities. I believe, however, that this is not stating the case correctly. A cause is taken for an effect. I am sure it will be evident to you from the imperfect outline I have given of the geographical and agricultural characteristics of Argentina, that the reason for the lack of transportation must be sought for in the lack of adequate stimulus to commercial intercourse. The most important factor in promoting trade is unlikeness of production between countries. This fact is now as well established in social dynamics as the principle of repulsion between electricities of the same kind is in physical science. It has been suggested that our relations could never become those of rival concerns in competition for the same market. The real facts, however, tell a different story and are worthy of careful consideration.

In Argentina, as in the United States, those industries are most energetically developed which are most necessary to material life. We are bread producers, meat producers and wool producers. Wool is our great export staple. Our annual output of wool is about 230,000 tons. Argentina is the largest wool producer in the world. Fifty years ago the sheep-raising was neglected by the majority of stockmen. Our flocks consisted almost exclusively of native *criollo* breed. With the increasing demand for wool there began to be an increasing interest in the sheep industry and soon the new departure became a most profitable branch of agricultural enterprise. The first care was to produce a better quality of stock. The merino sheep was imported and its blood mixed with that of the *criollos*. As a result, the quality of wool was wonderfully improved. In 1870, Europe's demand for meat began to grow and many stockmen of Argentina

began to convert the merino sheep into mutton, cross-breed types approaching the Down. Argentina was favored by its geographical location. Being nearer to Europe than Australia, the Argentine sheep industry received marked encouragement. The traffic was still further promoted by the construction of the harbor of Buenos Aires, which cost forty-nine million dollars and is second in importance in the whole western hemisphere. The commercial intercourse with Europe was a great boon to stock raisers. At present the large part of the Argentine sheep are of English and merino breeds. This fact is not sufficiently known in the United States, because this country, until 1897 when the Dingley bill was passed, has been the sole buyer of the coarse wool, grown of the remnant of the old *criollo* breed.

The real importance of the Argentine sheep industry will be still better understood when the weight of this somewhat startling fact is appreciated. There was a time when Australia was the first sheep country in the world; but we have left her so far behind us, that at the present we have as many sheep as Australia and the United States together.

In consequence of the development of our sheep and cattle industry, Argentina has been raised to a prominent place in the meat trade. The total export of Argentina has reached 500 million pounds, or as much as Australia and New Zealand furnish together. And yet, these 500 million pounds represent only a fifth of what we could supply without touching the stock representing our capital in this industry. This latter point is of no small importance. All other meat-producing countries, the United States not excepted, are decreasing their exports. As a result, we expect to be the largest meat producers in the world before very long, occupying the first place there as we already do in wool production. Our dairy industry is comparatively young; but already there has been an increase of 375 per cent since it was established.

In farming and particularly wheat-growing, the progress has been equally wonderful. The most improved threshing machines are now to be seen in the centre of Patagonia, the *terra incognita* which literature knows only as the scene of predatory incursions of Indians. The La Plata valley is an extensive and favored agricultural region without a rival in fertility and in capacity for breeding cattle. Here are boundless alluvial plains where the plow can be driven four

hundred miles without striking a stump or a stone. Here is a land of promise for wheat production, where labor is richly repaid. Alfalfa grows exceedingly well, and since we have discovered this fact, we have placed ourselves in possession of the largest alfalfa plantations in the world, thereby increasing the capacity of the land for supporting cattle.

It is evident that all this abundance of raw material produced in Argentina cannot be marketed in the United States. Sixty per cent of the Argentine exports goes to Europe. Last year, out of twenty-four thousand three hundred and thirteen ships which served as vehicles of our commerce with the world, only three hundred and fourteen were American—certainly not a very gratifying showing of trade relations between our two republics.

We have a mutually advantageous intercourse with European countries. Our products are in more demand in Europe than here. We are therefore offered in Europe greater advantages for the sale of our products than in the United States. Our textile fibres and hides are entered free of duty in France, Germany, Belgium and Italy. Argentina has become a commercial annex of Europe. The acquisition of our trade has often become a political factor. During the Anglo-Boer war our meats were preferred to those of Australia in the English markets. The last European crisis in the wool trade was decidedly influenced by the Argentine output. This state of things is well understood in Europe. Quite recently, M. de Villate said in the *Revue de Paris* that for many years the stream of South-American commerce will continue to flow Europewards in spite of all efforts made by the United States to divert it. The Argentine Republic will become, ere long, a close competitor of the United States in the European markets. In Argentina the good lands are cheaper, the soil more fertile and, speaking generally, we enjoy a more equable climate than the United States. Of course we are at a disadvantage as regards distance from the European countries. We are compelled, therefore, to promote intercourse by commercial treaties with those countries, affording protection to their imports. This is the most vital problem that will engage our energies in the future. It is true that the actual population of my country is not sufficiently large to compel trade with us by reprisal; but the immigration is growing year by year, owing to the inducements my country offers to those who are willing to work. The population of

Argentina is growing so rapidly that we have reason to feel hopeful that in the future we shall be regarded by Europe as an important buyer whose friendship is worth cultivating. The new condition will supply the weapon of commercial politics.

The growth of Argentina's industry has been so rapid, and in a measure so unexpected, that it found the country unprepared to make the most of it. For instance, when the sheep industry began to develop there was built an immense house, covering an area equivalent to nine square blocks of New York City. It was thought that this space would be more than sufficient for the necessities of the future. But it had scarcely been completed when it was found too small, and another building had to be planned. A few years ago we imported wheat from Chile. Now we have reached the fifth place as a wheat-exporting country. Again, we were not prepared for this sudden expansion. Until quite recently we had no grain elevators. As a result, we expend millions of dollars for coarse cloth to make bags for the purpose of shipping the grain. Under favorable conditions this demand for bags might have supplied a new field for our textile industry; but our unpreparedness turned the advantages of the situation over to others and we are under the necessity of importing annually enough coarse cloth to wind four times around the earth. Moreover, thousands upon thousands of bags of threshed wheat are very often spoiled by the rains, because of the blockade in transportation and the lack of sufficient tarpaulin to protect them. The waste is enormous, for we do not have enough hogs to fatten with this spoiled material. We furnish an example of what Herbert Spencer calls the "multiplication of effects," that is, the passage from the homogeneous to the heterogeneous as a necessary stage of progress. Before the state of equilibrium arrives for Argentina, many new fields are to be opened to industry.

A great part of the progress we have accomplished and are about to make has been made possible by European capital. Thus, it is estimated that fifteen hundred million dollars of British capital is invested in Argentina. Other nations have many millions deposited in our banks, in national bonds, railways and many industrial undertakings. America's contribution is very small.

Until 1897 the Argentine wool and cowhides entered in this country free of duty; but after the Dingley bill became a law, these products had to pay the regular tariff. Argentina has always

earnestly desired a better understanding with the United States; but the attitude of the American government has been disappointing to us. If the bars were let down, we might do more business with this country. But it is doubtful whether the present state of affairs will be changed in the immediate future. It may be safe to assert, however, that the policy of the United States will have a salutary effect upon the evolution of the sheep-breed industry of Argentina. If our *criollo* wool is no longer purchased in large amounts as in the past, we shall let the remnant of the *criollo* stock-bred turn into merino, and thereby fit our wool production for the wants of the French market, which is looking for finer fleeces.

In view of the conditions described, it seems as though our national destinies would keep our two republics separated in commercial life. But I am also firmly convinced that a complete divorce would be fatal to many of the institutions of my country that are now in process of development. To state the case paradoxically, the more separated Argentina may feel herself to be from the United States, the more closely she ought to be allied with this country. We have the raw material for the genius of the United States to work upon. Here Argentina has much to learn of you. She must learn how to promote development and rapidly meet new conditions to utilize her wonderful natural resources. The Argentine awakening is a new result in the series of events set afoot on the day of the declaration of American independence. We share with you the honor of possessing the constitution which Jefferson and his compeers created. Our people have received part of the heritage left to America by Horace Mann.

No institution is better fitted for the building up of a great republic than the American public school. It develops individual powers and awakens the sense of moral responsibility, in a way no other institution does or can. Argentina may well study and follow the progress made in this particular field of America's wonderful activity.

Even though the United States cannot be a commercial friend of Argentina, it will, nevertheless, be a model for the development of a new race in the southern extremity of this continent.

Conditions Affecting Sugar-Beet Culture in the United States

By Henry C. Taylor, M. S., University of Wisconsin

CONDITIONS AFFECTING SUGAR-BEET CULTURE IN THE UNITED STATES

By Henry C. Taylor, M. S.
University of Wisconsin

The relations of the United States with Cuba and other parts of the West Indies are certain to depend largely on the conditions of competition of beet and cane sugar. For that reason this discussion by Dr. Taylor finds an appropriate place in a collection of papers analyzing the present and prospective relations of the United States and Latin America.—[Editor.]

During the last thirty years, beet-sugar production has become a very important industry in Germany. In 1872 Germany was a large importer of sugar, the excess of imports over exports amounting to more than thirty thousand metric tons. In 1898 she was the largest exporter of sugar in the world, the excess of exports being more than a million metric tons. This rapid development of the industry in Germany has led many to believe that the people of the United States may succeed in producing their own sugar supply.

This proposition led the writer to study the conditions under which sugar beets are produced in Germany and to compare the conditions there with those which exist in that portion of the United States which has been designated by the Department of Agriculture as "the probable areas suited to beet culture." The writer is in sympathy with the efforts which are being put forth to extend the sugar-beet industry, but feels that a careful study of the subject from the point of view of commercial agriculture may, to some extent at least, enable the promoters of this industry to avoid misdirecting their energy. It is believed that a comparative study of the crops and field systems of Europe and America will lead to the conclusion that any attempt to establish the beet-sugar industry where it must compete with Indian corn is likely to prove a failure, and that, for this reason, our efforts to establish this industry should be restricted to that part of the beet region of the United States which lies outside of the corn belt.

It has been fairly well demonstrated that vast areas within our borders have the requisite soil and climate for producing beets with a sugar content as high as, if not higher than, those of the best beet regions of Germany; and perhaps it may be conceded that the advantages due to cheap labor in Europe will be balanced by greater skill and the more general use of machinery in the United States. It does not necessarily follow, however, that it will be economical for us to produce our own sugar supply. Suppose that we are able to produce beet sugar at as low a cost in labor and capital as is possible in Germany, and yet in order to do so it is necessary to use land which would yield a larger net return when employed in some other way. Would it then pay to sacrifice the more profitable crop in order to produce sugar? The solution of this problem requires an understanding of the fundamental principles of commercial agriculture. Pliny wrote, that he was a poor husbandman indeed who would buy anything which he could produce on his own estate; but Thaer[1] taught his generation to produce nothing which could be procured more cheaply upon the market. Pliny was writing for a time when the self-sufficient economy of the villa prevailed and when the goal of the husbandman was the direct satisfaction of all the wants of his household. Thaer lived at a time when commerce had so developed and industry had become so diversified that farmers produced primarily for the market, and he stated the most fundamental principle of modern agriculture when he said that each farm should be operated in such a manner as will make it yield the largest long-time average net return, and only those crops which will add to the total net return should be included in the field system, all others should be excluded.

This economic principle, which underlies all commercial agriculture, is an important factor in determining the geographical distribution of farm crops in modern times. It is a commonplace fact that sunshine and rainfall determine in a general way which plants may thrive here and not there, or there and not here. Some plants require much heat, while others thrive best in a relatively cool climate. Some require a great deal of moisture, while others get on with a very little. But while all plants will not thrive under the same conditions, there are always several species present to compete for

[1] Albrecht Thaer wrote extensively on agriculture during the first quarter of the nineteenth century and is remembered as Germany's greatest agriculturist.

each piece of land. This is true on every farm, and the more favorable the soil and climate the greater the number of species which enter into this struggle. When nature is left to herself, the plants which are best fitted for this warfare survive and occupy the land; but when man intervenes plants are divided into two classes, those which are useful and those which are harmful or of no use. The harmful plants are destroyed, the useful ones are cultivated. Under the régime of the self-sufficient agriculture of Pliny's time *all* the useful plants which would thrive were cultivated on each farm. The greater the variety of crops which each husbandman could produce, the greater the degree of his well-being, for each household was a little economic world living unto itself. But under the régime of modern commercial agriculture, where each farmer produces primarily for the city, national or world market and buys upon the same market nearly everything he consumes, his well-being no longer depends upon the variety of his own productions, but upon his power to command the desired commodities upon the market. This power does not depend upon the variety, but upon the cost, quantity and price of the articles he takes to the market. Cost, or cheapness of production, is not the one determining factor; neither is the quantity of the product. The selling price would also be a poor guide in itself. But when the cost of producing an article, the quantity which one man can produce upon a given area, the capacity of the crop to fit itself into the field system, and the farm price of the product, are all taken together, it will be found that, with prices as they are at a given time, some crops will net the farmer a handsome profit, while others can be grown only at a loss. The economic well-being of the modern farmer depends, then, upon his capacity to select and produce that crop or combination of crops which one year with another will make his farm yield the largest net return. Hence, it is no longer natural fitness to win out in the struggle, nor simply some degree of utility to man, but it is fitness to increase the total profit of the farm that determines which of the plants suited to the soil and climate of a region should be allowed to occupy the land.

The largest net return being the economic ideal in modern agriculture, it is the purpose of this paper to point out that even though the conditions with respect to the demands upon soil, climate and labor be as satisfactory, yet the production of beet sugar may

prove relatively unprofitable for the farmers of the corn belt while it is a profitable crop in other parts of the United States and in Germany. This conclusion has been reached by a comparative study of the available crops and of the systems of crop rotation in the two countries under consideration. In central and southern Germany, and in fact almost everywhere in Europe where the soil was not too sandy, a three-field system of crop rotation prevailed during the middle ages and down to the beginning of the present century. This system consisted of winter grain, summer grain and fallow. During the fallow year the land was cultivated carefully to clear the field of weeds and to bring the soil into good tilth. At the close of the eighteenth century the industrial and commercial population was making such demands for agricultural products that the more intelligent farmers began to think it too great a waste to cultivate a third of the arable land each year with nothing growing upon it. A general search was made for crops which could be grown in the place of the bare fallow and at the same time allow the soil to be cleaned of weeds and cultivated preparatory to sowing grain. Unfortunately Indian corn, the one grain crop which can be grown successfully under such conditions, was found to be ruled out by the climate; so potatoes, turnips and beets were resorted to. Besides the root crops, clover was introduced and the rotation changed into a four-course system in which roots, summer grain, clover and winter grain succeed each other in the order given. During the last quarter of the eighteenth century and the first half of the nineteenth this four-course system gradually replaced the old three-field system with its bare fallow. The root crops came to be called "fallow crops" because they were looked upon as incidental to the fallowing of the land in preparation for the grains. The grains continued to be the most profitable crops.

The old three-field system was the rule in northwestern Europe during the first two centuries of American colonization, yet the bare fallow never became permanently established in the colonies. The colonists were, from the beginning, well provided with valuable crops which could be cultivated while growing. Corn and tobacco made the bare fallow unnecessary and practically unknown in this country long before "fallow crops" were introduced in Europe; and while our country has greatly expanded, cotton, corn and tobacco have continued to make fallowing unnecessary in most parts of the

United States. Of these crops, corn is the one which interests us especially in this paper, because of the relation which exists between the corn belt and the area suited to sugar-beet culture.

The beet region of the United States is described in the Yearbook of the Department of Agriculture (1901, p. 501) as "a large strip of land reaching across the northern portion of the country. It starts at the Hudson, takes in the southern half of New York, the northern portions of Pennsylvania, Ohio, Indiana, Illinois, Iowa and Nebraska, the southern half of Michigan, Wisconsin and Minnesota, all of South Dakota, large sections of Colorado, Utah, Wyoming, Montana, Idaho, Washington and Oregon, and the coast side of California." By comparing a map of this beet region with one showing the corn belt, it will be seen at once that from the Hudson River to Central Nebraska the southern half of the beet region passes through the very heart of the corn belt, and if sugar beets are to be generally introduced as a profitable crop in the possible beet areas east of the great plains they must show as large a net return, on the long-time average, as corn. It seems to be true, however, that the beet region extends farther north in Michigan than does the area of very profitable corn production. Here we may expect beets to compete with corn more effectively than in the heart of the corn belt.

But why should we ask that beets be as profitable as corn before we introduce them in the corn belt? We grow oats without asking that they be equally profitable. Why not grow beets for what profit there is in them, even if the cultivation of this crop does prove less profitable than the growing of corn? Or again it may be asked, why not compare the profit to be derived from the growing of oats and of beets instead of comparing that of corn and of beets? The answer to this question is made clear when we study those principles which underlie the organization of the farm economy. The intelligent farmer seeks to operate his farm in such a manner as will make it yield the largest net return. The organization of the farm is essentially different from that of the factory. In mechanical pursuits it is the common thing for each man to devote all of his time throughout the year to the production of that one article or class of articles which he can produce to best advantage. In agriculture, however, the production of any one crop requires the attention of the farmer for only a portion of the year, and various crops

demand his attention at different seasons, so that his labor, horses and machines are usually employed more economically in a system of diversified farming than in a single crop system, even if the crop needing attention at one time is less profitable than that requiring attention at another time.

The crops which require attention at the same time of the year may be looked upon as a group of competing crops. Thus the crops which require cultivation for six or eight weeks during the early period of their growth, such as corn, cotton, tobacco, potatoes, sugar beets, etc., may be classed together as a group of competing crops, because they compete for the attention of the farmer—for his labor, his horses, his tools and machinery. The winter grains, rye and winter wheat, or the spring grains, oats, barley and spring wheat, may be given as other groups. We may call these separate groups non-competing groups, because the members of one group require the attention of the farmer at a different time than do the members of other groups. For example, corn, cotton, etc., do not compete with oats, barley, etc. The farmer who seeks to use his labor and capital to the best advantage should select from each group of competing crops that one which will yield the largest net return and should introduce as many non-competing crops into the field system as will yield a profit. When this principle is followed it will often happen that of two non-competing crops in the field system one will yield a larger net return than the other. Yet, when the year's accounts are balanced, it will be found that the net returns are greatest when both crops are cultivated, even if one is less profitable than the other, for each crop represents the most profitable use to which the labor, horses and machines can be put at the given time, and if not used in that way they must be put to a less productive use or to no use at all. But of two competing crops, only the more profitable one should be produced.

With this principle in mind, let us note that while oats and corn may be brought into rotation so as to supplement each other in the economy of the farm, beets and corn cannot be made to do so. Beets may be brought into a system of rotation with oats, but not with corn. In some places, as where the sugar-beet region crosses the corn belt, in the United States, the one may be made to replace the other, but corn and beets cannot be made to supplement each other. The time devoted to the culture of oats is not subtracted from the

time which the farmer may devote to the corn crop. The oat crop is sown and harvested at just the time when the farmer is not needed in the corn-field, and hence oats fit naturally into a profitable rotation with corn. Beets, however, demand cultivation at the same time when the farmer is needed in the corn-field, and if the beet crop increases the corn crop must decrease. Again, the corn and the beets are both cultivated while growing, so that either one prepares the soil for the small grains and makes fallowing unnecessary. Thus we find that beets and corn are competitors, while oats and corn are not. Oats can be grown with profit, even though they do not yield so large a net return as corn, but unless beets yield as large a net return as corn they can be grown only at a loss. Hence the question arises, is beet culture and sugar production more profitable than corn growing and pork production? If so, there is reason for trying to introduce sugar beets in the corn belt. If pork and beef production and the other industries based upon corn are more profitable than sugar production, the profitable culture of the sugar beet must be found outside of the corn belt.

Corn is the one grain which can easily be cultivated while growing. Where corn will not thrive, as is the case in central and northern Europe, the small grains, wheat, rye, oats and barley are the most profitable crops. In parts of southern Europe where it will grow, corn has replaced the fallow, but in those districts where sugar beets are being grown the climate precludes the growing of corn; hence sugar beets have only to show themselves as profitable as turnip, potatoes and fodder beets in order to enter as a profitable element into the field system. Thus, while in Germany the sugar beet has to compete with a relatively unprofitable element in the system of crop rotation, in the corn belt of the United States it must replace corn where corn is king. Hence, it may be true that were the industry once established in the corn belt, our farmers would be able to produce beet sugar at a lower cost in labor and capital than can the Germans, and yet if corn shows a larger average net return than beets, beets will prove unprofitable in the corn belt, while at the same time they may remain profitable in Germany because no very valuable crop is present to compete with them for a place in the German field system. A high duty on sugar may stimulate the sugar-beet industry to expand within the limits of the corn belt, but from an economic standpoint it will not be profitable to the nation until

the beet regions of the world, where corn cannot be grown, are so occupied with sugar beets and the cane sugar regions are so taken up that the price of sugar on the world market will rise to a level which will enable beets to show as large a net return as corn. Let us consider for a moment what is likely to happen in this regard. In France, Germany, Austria-Hungary, Russia and the western and northern parts of the United States there still remain vast areas which could be devoted to sugar beets if the price of sugar were slightly higher. The cane-sugar industry is capable of very great expansion when stable government makes capital safe in all those countries where sugar cane can be grown. On the other hand, the corn lands of the world are pretty well occupied. The United States is, and will doubtless remain, the principal corn country of the world. The Mediterranean and the Himalayas occupy most of the surface of the Old World which might otherwise have provided the proper climate for corn. Only the narrow part of South America and small parts of South Africa and Australia have a corn climate.

As the population of the world increases there is sure to be an increasing demand for pork and other articles of commerce which are most cheaply produced where corn is plentiful. The demand for sugar will also increase; but when we consider the chances for expanding the two industries, there is no reason for believing that the increasing demand will result in as great a rise in the price of sugar as in the price of corn products. In fact the price of sugar has been falling while the prices of corn products have been rising, and the chances are that the relation between the price of sugar, on the one hand, and that of corn products, on the other, will never be such as to enable sugar beets to compete successfully with corn where the climate is especially suited for corn production. If corn would thrive throughout the sugar-beet region of the United States, the sensible thing would be to abandon the beet-sugar industry at once; for so long as we can get our sugar with less outlay of labor and capital by producing corn and hogs for the foreign market and buying sugar from abroad, it would not be economical to produce sugar beets. There might be political reasons, it is true, for desiring to produce our own sugar supply, in order that we may "be in a position to ignore the foreign product," as Secretary Wilson has said. In this case, however, would it not be wise to look rather

to the promotion of the cane-sugar industry within the United States and her dependencies?

But the "probable areas fitted to beet culture" extend beyond the corn belt to the west and the north. Parts of Colorado, New Mexico, Utah, Washington, Oregon and a narrow belt along the Pacific Coast from the north to the south of California are included within its limits. Here corn will not thrive. Wheat and barley are the most important grain crops. As these states grow older the fallow becomes more and more essential to the successful growing of grain and in the absence of corn as a competitor, sugar beets have only to prove more profitable than fodder-roots, or a bare fallow, in order to be introduced with profit into the field system. Thus so far as competing crops are concerned the conditions are nearly the same in these western states as in the sugar-beet regions of Europe, and there is no reason for doubting that where the rainfall is sufficient the beet-sugar industry of the West will be able in time, without any form of government aid, to compete successfully with the Europeans. A very great deal of the probable beet areas of the West require irrigation, however, and it may well be questioned whether the farmers who must pay the costs of irrigation will ever be able to compete on an equal basis with the European producers in beet-sugar production. It may possibly be found that the humid region outside of the corn belt which is suited to beet culture is sufficient to supply our demand for sugar. But if it is not, and this is questionable, the economy of trying to supply the home demand for sugar by cultivating beets is certainly doubtful.

It may be possible for us to supply our home demand for sugar by developing the sugar industry in the ultra corn-belt areas of beet culture and in the cane-sugar regions of the United States and her dependencies. We find here a suggestion regarding the attitude the government should take in attempting to foster the sugar industry in this country. It is certainly in accordance with our infant-industry policy to encourage, in some way, the development of the sugar industry in the West or any place else where there is good reason for believing that it will be able to stand on its own merits when once established. On the other hand, it is contrary to the same policy to force a growth of the industry in those parts where it cannot be expected to prove profitable longer than while the external stimulus is being applied.

Appendix

SEVENTH ANNUAL MEETING

OF THE

American Academy of Political and Social Science

Philadelphia, April 17 and 18, 1903.

THE UNITED STATES AND LATIN AMERICA

Soon after the annual meeting of 1902, your committee held a meeting for the purpose of discussing the most available topic for the annual meeting of 1903. After considerable discussion "The United States and Latin America" was decided upon. Although the subject was attracting increasing attention, the committee did not and could not foresee that during the early months of 1903 the attention of the people of the United States and of Europe would be concentrated upon South-American problems. Although there was no lack of newspaper discussion of the South-American situation, the seventh annual meeting of the Academy furnished the first opportunity for a calm and scientific discussion of the many delicate and intricate problems involved in our relations with the governments and peoples to the south of us.

Before proceeding to an account of the sessions, your committee desires to express its thanks as well as those of the officers and members of the Academy to the Provost of the University of Pennsylvania, to the president and directors of the Manufacturers' Club and to the officers and board of directors of the Philadelphia Commercial Museum for their valuable co-operation, which contributed so much towards making the meeting a success. Your committee also desires to express its appreciation of the services of those who

took active part in the meeting and whose contributions give to this volume its chief importance.

The expenses of the annual meeting were defrayed in part by an appropriation from the treasury of the Academy, but in the main by a special fund contributed by friends of the Academy. It was largely because of their assurance of support that the committee was able to plan the meeting on so large a scale and to provide for the publication of the proceedings without involving too heavy a burden on the Academy's treasury. To these contributors we desire to express our sense of obligation.

SESSION OF FRIDAY AFTERNOON, APRIL 17.

Topic: "International Arbitration on the American Continent."

The annual meeting was opened by the president of the Academy, who commented on the increasing importance of the annual meetings and on the timeliness of the general topic of the seventh annual meeting. He then introduced the presiding officer of the afternoon, the Honorable W. W. Rockhill, Washington, D. C., director of the International Bureau of American Republics.

Mr. Rockhill, in introducing the subject of the afternoon, spoke as follows:

The problems confronting the Pan-American Conferences are to be discussed at this meeting; as introductory to the discussion, I feel that I can not do better than briefly state what these conferences have accomplished, what progress has been made by them for the cause of Pan-Americanism.

History of international American conferences for the purpose of drawing closer together the various relations of the different American states, may be divided into two parts: First, that extending from the congress at Panama in 1826 to that of Montevideo in 1888; and second, beginning with the congress of Washington in 1889, and extending down to the present time. During the first period the conferences, while accomplishing no great material results, served to foster the belief in the possibility of strengthening the ties between the American states, and indicated the most favorable lines along which the work should be prosecuted. With the International American Conference at Washington in 1889, the movement assumed practical shape and results were secured.

The programme of this conference is of interest, as it served as

a basis for the elaboration of a programme for the second congress subsequently held in the city of Mexico in 1901.

(Mr. Rockhill then stated briefly the programme of the congress of 1889 at Washington.)

The lasting results of this congress were the Intercontinental Railway Commission, and its subsequent survey and report; the American Monetary Conference of 1891, which led to the meeting of the Brussels Conference; and the creation of the International Union of American Republics and of the Bureau of the American Republics. However important these results, it can not be said that any part of its labors was vain.

The discussion on arbitration and on the question of reciprocity, which took place during the congress, although, in the case of the first subject, it led to no practical result, advanced most materially this complicated and difficult subject.

Mr. Matias Romero, late Ambassador of Mexico to the United States and one of the delegates to this conference, justly remarked of it, that its first and best result was the sentiment of mutual respect and consideration with which each delegate was inspired for his colleagues and for the nations represented by them. Another result, one which has exercised great influence since then, was the constant intercourse of the delegates for nearly six months and their daily discussion of important questions affecting the paramount interests of their respective countries.

The great interest awakened in Pan-Americanism by this first conference was so lasting that when in 1900 the government of the United States suggested that a second international conference should be held, "in view of the numerous questions of general interest and common benefit to all the republics of America, some of which were discussed by the first International Conference, but not finally settled, and others which had since grown into importance," the suggestion was responded to enthusiastically by all the republics of America, and the conference, at which they were all represented, duly met in the city of Mexico in October, 1901.

The results of this last conference mark another great step in advance of those made by the previous one of 1889.

The subject of arbitration naturally received a great share of the attention of the conference, with the result that The Hague Convention received the unanimous acceptance on the part of the nineteen

republics represented, and the three Hague conventions were recognized as principles of public American international law. A treaty was also signed for the compulsory arbitration of pecuniary claims, and other steps were taken for the extension of arbitration on this continent.

The Intercontinental Railway project was further advanced by the creation of a permanent committee to continue the preliminary work until the calling of the next Pan-American conference.

Closer commercial intercourse between the various states was promoted by the adoption of a resolution for the meeting of an International Customs Congress in New York within a year, to consider customs administrative matters.

The subjects of quarantine and sanitation were advanced by the adoption of a resolution providing for an International Sanitary Conference.

An International Commission was appointed for the study of the crisis in the coffee industry.

Other conventions were signed providing for the reciprocal recognition of the diplomas and titles granted in the several republics; the international recognition of literary and artistic copyrights; the exchange of official, scientific, literary and industrial publications, and a number of other subjects, all of great interest and value to the cause, but of secondary importance compared to those referred to above.

The Customs, Sanitary and Coffee Conferences have been held, and have led to important and lasting results; and the discussion of the various subjects brought before the conference has given a new impetus to the movement, and to those interested in it renewed energy and hope, and insured further prosecution of the work along the lines now recognized by the experience of two congresses as certain to produce the greatest amount of good to the states of this continent.

The chairman of the Local Reception Committee, Dr. Joseph Wharton, then welcomed the members and guests of the Academy on behalf of the committee.

Mr. Wharton spoke as follows:

Members and Guests of the American Academy of Political and Social Science: When, in this busy modern life, a new candidate for

public attention arises, claiming a share of the time which is already so crowded with cares and duties, that candidate must show good reason for existence or it must be cast out. Can this Academy show such reason? Surely it can.

There is one strong presumption in its favor—namely, that it has lived for fourteen years, and has grown, and is now full of the vital spirit which can carry it on into a distant future. As in the life of a child each added year increases its chance of reaching maturity and of doing the normal work of an adult, so is the chance of long life and usefulness more and more assured to this Academy by each year that passes.

Our nation began as a sort of protoplasmic mass, not an organism, but a loosely coherent aggregation of individuals, pressed together by hostile external forces as much as drawn together by internal attraction; a mass capable of attaining corporate life rather than really possessing it; having, however, the germ and tending strongly to become an organism, with faculties, functions and members suitable to its environment. But our nation had the extraordinary good fortune to be guided, in its early endeavors to become an organism, by men of unusual wisdom. Washington, Franklin, Hamilton, Marshall and Story are but shining examples of the men whose constructive and judicial labors gave to the fabric of our institutions its great controlling features, or, to change the metaphor, who breathed into the inchoate mass that which made it a living soul.

Are we who inherit these fruits of our ancestors' labors to rest inert under our new conditions, like the old Jews who believed they must be saved by ancestral virtues? Shall we be content to say "Have we not Abraham to our Father?"

The new conditions do not tolerate such fatuity. The nation, and each of its constituent subordinate communities, must find means to fit itself to these new conditions, or they and it will justly perish. All the multifarious problems growing out of the complications of modern life must be boldly met, mastered and assimilated into our system of government—into our organic life.

Obviously, this requires differentiation of function, development of special faculties by individuals and classes, so that each may do well his part to produce the grand harmony of the state, as the several instruments of an orchestra combine to produce the harmony of music. And more and more essential is it becoming that each person

should be trained in his part. We can enjoy the absurdity of the man who, when asked if he could play the violin, answered that he guessed he could—he had never tried—but is it less absurd for us to expect that legislators, executive officers, diplomats, consuls, etc., coming untrained as many do from shop or farm or old-style college, should perform well their new duties? We expect nothing of the sort in respect to our judges, or our military and naval officers; all of these are in their several ways most carefully trained to their several tasks and consequently perform those tasks for the most part admirably well.

The struggle among the nations for existence and prestige is no longer mainly a struggle of armed forces; it is now rather a competition between the nations in industrial prowess, in subtle management of commerce, transportation and finance. Wealth and power are the prizes; our competitors are the foremost champions of the world.

It is not pretended that this Academy is fitted to educate all the various classes of statesmen and officers alluded to, but its members and increasing numbers of the community believe it to be doing important work by insisting on the necessity of training, by calling attention to this or that topic of public interest, by showing what is done in other countries, by forecasting policy or legislation on this or that topic, by estimating the gains to accrue from this or that course.

No one who looks over the wide field covered by the papers presented at the previous meetings of the Academy can fail to be impressed by the great variety of the subject-matters of those papers, and by the ability with which they have been treated by their distinguished authors. The present meeting is to be addressed upon no less important matters of immediate interest, and by no less distinguished speakers.

The city of Philadelphia has always held an advanced position in respect to the various objects which the Academy endeavors to promote; its citizens join with our own members in welcoming you with all sincerity to participate in the work of the annual meeting which is now open.

Hon. John Bassett Moore, of New York, secretary and counsel of the Paris Peace Commission; Professor of International Law, Columbia University, and former Acting Secretary of State, then

presented a paper on the topic of the afternoon, which will be found printed on pages 33-44 of this volume.

Following the paper by Mr. Moore, Hon. William I. Buchanan, of Buffalo, N. Y., formerly United States Minister to the Argentine Republic and American delegate to the Pan-American Conference of 1901, read a paper on the same topic and the same will be found on pages 45-55 of this volume.

Dr. Talcott Williams, of Philadelphia, then read a paper on "Ethnic Factors in South America," which is printed on pages 23-31 of this volume.

SESSION OF FRIDAY EVENING, APRIL 17.

The Annual Address: "The Position of the United States on the American Continent—Some Phases of the Monroe Doctrine."

The first evening session of the annual meeting is always the most important of the series, as it is the occasion for the delivery of the annual address to the members of the Academy. Stuart Wood, Esq., of Philadelphia, the treasurer of the Academy, was the presiding officer of the evening.

Dr. Charles C. Harrison, Provost of the University of Pennsylvania, presented the welcome to the guests of the Academy on behalf of the University of Pennsylvania. Dr. Harrison expressed the keen interest of the University in the scientific discussion of the matters under consideration and commented on the fact that the University, in its Wharton School of Finance and Economy, was giving special attention to this class of subjects.

The president of the Academy, Professor L. S. Rowe, of the University of Pennsylvania, then presented a review of the work of the Academy for the year.

Dr. Rowe spoke as follows:

The growth of the Academy since our last annual meeting may be regarded as one of many indications that the American people fully realize that the solution of our complex national problems requires something more than the training of the common school. The theory that the uninstructed common sense of the average citizen will find the best solution for every public question will no longer stand the test of experience. The desire of an ever-increasing proportion of our citizen body to acquaint themselves with the principles

underlying our public policy is a tribute to the serious purpose and determination of the electorate to meet the requirements of the new situation. It must be a real satisfaction to every member of the Academy to know that their organization has contributed in no small degree towards this enlightenment of public opinion. The publications of the year have reached not only our own members, but are also being used as required reading in a considerable number of colleges and universities. Special study classes and debating societies have used the material contained in our volumes as the basis upon which to pursue systematic investigations. We have also to record the fact that the United States Senate recently reprinted an Academy publication as a public document.

These facts when taken in connection with the presence of so many of our members from different parts of the country serve to emphasize the national, yes the international, scope of our work. To the large body of members grouped in and about Philadelphia, the meetings of the Academy undoubtedly appear to be the most important of the Academy's activities. Without in the least detracting from the importance of the monthly meetings and the influence which they exert beyond the limits of this city, the special function of the Academy in disseminating the results of scientific research in the political and social field is best attained through its publications. This work has been greatly aided by the inauguration of a series of special volumes such as have appeared during the last twelve months. Since our last annual meeting the Academy has published four special numbers of THE ANNALS, devoted to the following subjects: "Social Legislation and Social Activity," "Current Problems in Banking and Finance," "Current Labor Problems" and "Current Political Problems." A volume on "Charities and Corrections" has also appeared. In addition, one number of THE ANNALS was devoted to a more miscellaneous collection of subjects. That the importance of this group of publications has been appreciated is attested by the fact that the applications for membership outside of Philadelphia have been more numerous this year than at any previous time in the history of the Academy.

The fact that the Academy commands the services of a body of trained experts in every branch of the political and social sciences enables us to extend the usefulness of the Academy even beyond its present scope. With each year the number of cases in which the

Academy furnishes material and expert opinion for special investigations is increasing. In this respect a new field of usefulness is opened which possesses almost unlimited possibilities. The Academy must be made the centre to which everyone who is engaged in the serious study of great public questions may look for guidance and support. To make this possible the active interest and co-operation of every member is necessary. Our organization must not depend on the activities of any one group of men. Its policy as well as the results accomplished must be the outcome of the united efforts of that large body of workers scattered over this broad land, representing every shade of opinion and whose common purpose is the search after truth.

The presiding officer then introduced the Honorable Francis B. Loomis, of Washington, D. C., First Assistant Secretary of State, who delivered the annual address on "The Position of the United States on the American Continent," which address is printed on pages 1-19 of this volume.

On Saturday morning, April 18, a visit to the exposition building of the Commercial Museum had been planned. The authorities of the Museum arranged a special exhibit of South-American products and the members of the Academy and guests were conveyed to the building in a special car and conducted through the exhibit by officers of the Museum. This visit proved a most valuable adjunct to the proceedings of the annual meeting and special thanks are due to Dr. William P. Wilson, the director of the Museum and Mr. Wilfred H. Schoff, its secretary, to Mr. Macfarlane and the curators of the special exhibits.

SESSION OF SATURDAY AFTERNOON, APRIL 18.

Topic: "Conflicts Between Europe and Latin America; With Special Reference to the Public Policy of the United States."

The presiding officer of the afternoon was Mr. Charles R. Flint, of New York. The president of the Academy in introducing Mr. Flint referred to him as one of the pioneers in developing closer relations between the United States and the countries of South America. Mr. Flint's services as one of the originators of the Pan-American Conferences and the leading part which he took at the first conference were commented upon at some length.

Mr. Flint, in taking the chair, spoke as follows:

Members of the Academy, Ladies and Gentlemen:—The maintenance and strengthening of intimate relations, commercial and political, between the American republics have never been as important as at present.

For many years after the formation of our government it was natural that our people should have devoted themselves almost exclusively to the development of our great and varied resources. We then had no surplus time, energy or money to put forth beyond our boundaries. We were seeking labor and capital in Europe in competition with our southern neighbors. During the first century of our existence we were not only a debtor nation, but we were largely dependent upon European bankers. Up to six years ago the total value of our exports and imports about balanced. During the past six years the balance of trade in our favor has amounted to over three billions of dollars. Our wealth has increased during the past fifty years from ten to one hundred billions. Our government bonds are selling higher than the bonds of any other government. We have of late been loaning money in Europe on call, within the last few years we have bought the bonds of Russia, Mexico, Japan and England, and an important loan to a Latin-American state is under negotiation; so that to-day, instead of competing with our southern neighbors in securing money in Europe, we are in a position to grant them financial facilities, and our ability to do so is rapidly increasing.

The great advantage that the Latin Americans have in dealing with us is that we have evolved the best methods of developing new countries. In the densely populated countries of the Old World there is not the same incentive to invent labor-saving methods and machinery. In new countries they must largely take the place of population, and I believe that to-day the labor-saving machinery and implements which we have sent to Latin America are producing more than three times what could be produced by the entire population without them.

It is evident that the trend of the times is toward greater community of interest between the peoples of the Americas. It is only a question of years when an intercontinental railway, with a bridge across our isthmian canal, will bring us closer together in fact as we are in common interest.

It is also the order of the day to review our political relations. The policy of our government during nearly the first century of its existence was to confine its attention to domestic affairs and virtually to have no "foreign policy." The energy of the people was required for the upbuilding of the nation within its own walls. We have become the wealthiest nation in the world, we are a world power, with all the responsibilities which that position involves. Toward the republics of the south we stand in the relation of an elder brother. What a liberal proposition from a great power was the arbitration treaty formulated by Mr. Blaine and presented by him to the representatives of the Latin-American states to the International American Conference of 1889. It provided that all inter-American disputes should be settled by arbitration and virtually fixed existing territorial limits.

When the representatives of the southern republics went to the White House to bid farewell to President Harrison, he stated to them that the purpose of the military review which had been given in their honor on the previous day had been to give an idea of the army of the United States, not with the intention of impressing them with great military power, but to have them appreciate the fact that we were saving our men and money for industrial progress, that in case of need the country could rely, in the future as it had in the past, upon the courage and patriotism of its people. The wars of to-day are industrial wars. The commercial invasion of the Old World will mean the enforced abandonment of militancy in favor of industrialism; to the south of us it will mean a higher standard of living and a larger measure of well-being.

It is true we are building battleships, but as it takes years to build an armored vessel, the saying "In time of peace prepare for war" applies with peculiar force to the navy. The United States should become a great sea-power, not for the purpose of conquest, but to insure the peace of the continent.

The needle of the compass points to the north. The United States has blazed the way in working out the great problem of representative democratic government. The republics to the south of us have modeled their constitutions after ours. They have copied our school system and have sent here representative men to study our industrial methods and achievements. We are not only natural allies, but we are coincidentally gaining in power, commercially, financially,

politically, in a way that will make us both powerful and lasting friends. It is an incalculable blessing, that our policies, thoughts and aspirations are reciprocal. There are signs in the heavens; the Southern Cross, emblem of peace and good-will; the North Star, a sure guide.

Mr. Flint then introduced Mr. George W. Scott, of the University of Pennsylvania, who presented a paper on "Causes of Conflict Between the Countries of Europe and Latin America," which is to be found on pages 69-82 of this volume.

Mr. Scott's paper was followed by an address by Clifford Stevens Walton, Esq., of Washington, D. C., Licentiate in Civil Law, formerly counsel on the Chilean and Salvadorean Claims Commissions, on "Rules of Private and International Law in the Enforcement of Claims," which is printed on pages 83-96 of this volume.

A paper by Hon. Frederic Emory, of Washington, D. C., chief of the Bureau of Foreign Commerce of the Department of State, on "The Causes of Our Failure to Develop South American Trade," was then read by Mr. J. Russell Smith, of the University of Pennsylvania, as Mr. Emory's illness prevented his attendance at the meeting. This paper appears on pages 151-156 of this volume.

Mr. Wilfred H. Schoff, of Philadelphia, secretary of the Commercial Museum, then read a paper on "The Development of European Trade Relations with South America," which is printed on pages 157-168 of this volume.

Mr. Ernesto Nelson, of the Argentine Republic, then presented a paper on "Argentine Commerce with the United States and Europe," which is printed on pages 169-176 of this volume.

SESSION OF SATURDAY EVENING, APRIL 18.

Topic: "The Community of Interests of the United States and Latin America."

The presiding officer of the evening was the Honorable Shelby M. Cullom, United States Senator from Illinois and chairman of the Senate Committee on Foreign Relations.

The president of the Academy in introducing Senator Cullom said:

The twentieth century has been ushered in by an awakening of the American people to a sense of their responsibility as the leading

nation not only of the American continent, but of western civilization. The responsibilities involved in the position which we have assumed amongst the nations of the earth are such as would make a less buoyant nation shrink with terror. The faith in our own power to meet every new requirement, while a source of real strength, also involves definite dangers. Unless the leaders of our national life and especially those who are directing our foreign policy are men who can guide us through the mutual paths of international politics and who, in addition, possess a thorough grasp of the principles governing the development of our national life, we are sure to meet with disaster. But even these qualifications are insufficient unless they are combined with an understanding of the point of view of our people and a sympathy with their aspirations and ideals.

The extent to which the statesmen who have occupied the chairmanship of the Senate Committee on Foreign Relations have impressed their personality on the life of our people and upon the history of our country is to be measured by the degree in which they have met these requirements. Henry Clay, James Buchanan, Thomas Benton, Charles Sumner, John Sherman, C. K. Davis and S. M. Cullom stand out as exponents of all that is best in our national life. Of the long line of honored names there is certainly no one occupying a higher position than the gentleman who is to preside at this session. Both for the number of questions which he has been called upon to solve and the magnitude of their importance, the period of his chairmanship occupies a unique position in the history of the country. It has been his good fortune to preside over the most important committee of the Senate at a turning point in our history and it has been our good fortune as citizens of this great republic to enjoy the services and benefit by the leadership of the Honorable Shelby M. Cullom, whom I now have the honor of presenting to you.

Senator Cullom, in taking the chair, spoke as follows:

For the honor conferred upon me, by calling me to the chair on this interesting occasion, I thank you.

We meet here to discuss briefly the interests of North, Central and South America.

We are honored by the presence of able and distinguished representatives from the republics of Peru, of Cuba, of Costa Rica, and

from the International Bureau of American Republics, each one of whom will address you.

I do not need to say that addresses by such representatives from our sister republics cannot fail to be interesting, instructive and valuable to our country.

Fellow-citizens, in one capacity or another, we all belong to republican governments.

In the progress of time and events the nations of the earth have come into more intimate relations with each other. By the use of modern inventions, we have, in a large degree, conquered time and distance; and the result is, the nations are getting to know each other better, and differences are more easily and promptly adjusted.

It should be the purpose of statesmen of all the republics, North, Central and South, to favor such measures as will best secure the interests of all.

As a citizen and a Senator, I shall aid as best I can in securing a closer community of interests between the United States and all the other republics on this continent. Consistent with doing my whole duty by my own puissant nation and people, I shall favor a policy which I believe to be to the advantage of the other republics of the western world, so that all may secure permanent prosperity. As nations, we can often help ourselves by helping one another.

Our great secretary of state, in a brief address which he delivered a year or two ago at the Pan-American Exposition at Buffalo, said that, "the ideal of the brotherhood of the nations of the western world was not a growth of yesterday; it was heralded, when the country was young, by the clarion voice of Henry Clay, and was cherished by Seward and Evarts, by Douglas and Blaine." And I am pleased to add, by the voice of the late lamented President McKinley, in his farewell address. In that noble address, he said, "but though commercial competitors we are, commercial enemies we must not be."

Those words should ever be present in the minds of all our people. Our several republics should be one in sympathy, one in disposition to help each other, one in determination to make the three Americas great in the possession of the highest civilization, so that each may wield a grand influence for the good of mankind.

The movement for closer relations between the several republics will increase from year to year. It has often been said that trade

follows the flag. TRADE AND THE FLAG SHOULD GO TOGETHER, and in the interest of the United States and our sister republics, I am anxious to see American ships with the American flag floating over them, anchored in the ports of the south, laden with American products and manufactures, for the markets of those countries, and again laden with the products of those countries for the markets of the United States.

I hope to see the day very soon when the three Americas shall be bound together by lines of ships,—subsidized, if necessary,—and by railroads and telegraph lines, so that the people of all these nations, North, South and Central, can conveniently come and go and mingle and trade together, to the advantage of all.

It has been said that the decline of American shipping is not a lost art, but lost statesmanship. If it is the latter, let the people encourage the growth of statesmanship a little.

The first duty of government is to secure its independence and the freedom and protection of its citizens.

The government of the United States, years ago, gave expression to the doctrine that no foreign power should subjugate or interfere with the establishment of independent republics on the American continent. The Monroe doctrine is stronger in the minds and hearts of the American people now than ever before in our history.

Our gallant and wise President who is visiting the people of the far West and who is frank and open-hearted in talking to the people over whose destiny he presides, discusses all these great questions with clearness and frankness seldom heard in our previous history.

Fellow-citizens, the total territory of our republics, North, Central and South, including of course the United States and Cuba, amounts to between twelve and thirteen million square miles and contains a population of over one hundred and forty millions. The territory of these republics is capable of sustaining a population five times as great.

After more than fifty years of diplomatic correspondence and treaty-making with other powers, having in view an isthmian canal connecting the two great oceans, in Central America, the United States has at last taken a decisive step, by legislation and by treaty, which, if the republic of Colombia shall join the United States in ratifying, will result in the early construction of a canal, owned and

controlled by the United States, a work unequaled in magnitude and value.

When the treaty shall be ratified by Colombia, as I trust and believe it will, it will mark the beginning of a new era in the growth and prosperity of all those republics in Central and South America, and when the canal shall be completed it will not only be of vast advantage to all the nations of the western hemisphere, but also to the peoples of all the nations as a great neutral highway for commerce between the eastern and western hemispheres.

My fellow-citizens, I look forward with confidence to the time when it shall be apparent to all the nations on this continent that the work of the recent Congress, and of the Senate of the recent Congress, has been of vast benefit to the United States and to all our neighbor republics.

International conferences between the republics of the Americas are to be encouraged. These conferences, commenced under the administration of President Harrison, at the suggestion of his pre-eminent secretary of state, James G. Blaine, have done much to bring about a closer community of interests between the republics of this continent.

At the recent conference held in the city of Mexico, where each country was represented by able statesmen, a number of important treaties were signed, having for their object the promotion of friendly relations between our several republics. Conventions for the formation of codes on public and private international law, for the extradition of criminals, for the exchange of publications, regulating the practice of learned professions, regulating literary and artistic copyrights, and for the arbitration of pecuniary claims were agreed to.

It is to be regretted that urgent public business of the greatest consequence to the United States so engaged the attention of the last Congress as to prevent the consideration of those treaties. I hope that during the next session of the Senate they will be taken up and given that careful attention which their importance demands. Those treaties are right in principle. It remains only to be determined whether they are correct in detail.

I consider that the most momentous work of the Second International Conference of American States was the signing of the treaty of arbitration for pecuniary claims. While it would be

improper for me to discuss that arbitration treaty in public at this time, I do believe that its ratification will mark a new epoch in the intercourse between the signatory powers.

The time has come when international disputes should be settled by arbitration and not by war.

The conference in the interest of international arbitration called in 1898 at the suggestion of the greatest absolute monarch in the world, the Emperor of Russia, resulting in the establishment of a permanent court of arbitration at The Hague, has well shown that the enlightened nations of the world regard arbitration as the mode of settling international disputes. The convention at The Hague was one of the marked forward movements of the world in modern times.

The United States and the republic of Mexico were the first nations to take advantage of that international court of arbitration. The decision of that court, finally settling the so-called Pious Fund Dispute, cannot but be recognized as just and equitable to the interested powers.

The recent difficulties between Venezuela on the one part and certain European nations on the other, it is to be hoped, will be amicably settled by that peace tribunal.

Whatever may be said on the subject of arbitration for the determination of disputes between the nations of the world, it is especially desirable that arbitration, and not war, should be the means of disposing of controversies between the American republics.

The greater part of the history of every nation of the world is composed of recitals of victories and defeats on the field of battle, but, as the nations advance in arts, science and civilization, war will be the exception and arbitration the rule, for the disposition of international difficulties.

Senator Cullom then introduced Señor Don Manuel Alvarez Calderon, Envoy Extraordinary and Minister Plenipotentiary of Peru, who read a paper on "The Position of Peru in South-American Affairs." This paper is printed on pages 57-65 of this volume.

Senator Cullom then presented Señor Don N. Veloz-Goiticoa, secretary of the International Bureau of the American Republics, who delivered an address on "The Position of Venezuela in American Affairs." He spoke as follows:

Mr. President, Ladies and Gentlemen:—The position of Venezuela in American affairs is a topic which admits of ample development, but as there is not sufficient time available this evening, I shall limit my endeavors to establish such a position from but a few points of view. In so doing, on considering things past,—during the different periods of political and social evolution, from the ethnogenic to the demogenic stages, from ancient times to the discovery of America and thence to the present day,—we must admit that humanity has undergone a radical change and civilization attained a high degree of widespread development.

The struggle for and acknowledgment of the independence of the United States of America and the severe contest for and final emancipation of the Spanish-American colonies, brought about by well-known conditions and made renowned by the heroic deeds of such great American commanders as Washington, Bolivar, Hidalgo, Morazán and San Martín, form epochs in the annals of history.

Bolivar, born in Caracas, liberated Venezuela, Colombia, Ecuador and Peru, and founded Bolivia, which is named in his honor.

Venezuela began her independent life as a nation ninety-two years ago, by making a glorious and indelible impress upon the pages of American history, for she is the birthplace both of Bolivar and of South-American independence, and Bolivar is the Washington of South America.

Viewing the position of Venezuela from another standpoint, we are confronted with the fact that the western hemisphere covers an area of 15,800,000 square miles and has a population of 148,745,000 inhabitants,—using round numbers for the sake of convenience, as the exact figures can easily be verified from official publications,—and that the nineteen Latin-American republics, taken as a social nucleus, possess 53 per cent of the total area of our hemisphere; British North America and colonies, 24 per cent; the United States of America, 22 per cent, and other European colonies but 1 per cent.

As a congregate grouping the United States represents 54 per cent of the whole population of the New World; Latin America, 41 per cent, and British, Dutch, French and Danish possessions, 5 per cent. In this demotic aggroupment, 59 per cent speak the Anglo-Saxon languages and 41 per cent those of Latin origin; therefore, the Latin genetic contingent in America holds more than half of the

total area of the western hemisphere and both as to population and language represents over two-fifths of the whole unit.

These general facts being established, let us further take into consideration that Venezuela belongs to the Latin-American genetic group and that she occupies in it the fifth place with respect to area, which, as an illustration, means four times the territory of Central America, or, in the United States, more than the combined areas of the eight great states of Texas, Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Oklahoma and Arkansas, although her density of population is scarcely five to the square mile.

From the fundamental sociological standpoint of utilization and especially from that of objective values and their relation to production, Venezuela occupies a distinguished position, for she possesses three distinct and most powerful elements; namely: the agricultural, the pastoral and the forest zones. The first comprises high mountains and deep valleys from the Caribbean Sea—into which empty two hundred and thirty of her rivers, and on which Venezuela has a coast line of more than two thousand miles with thirty-two natural harbors and fifty bays—to the interior which yields all the products of the intertropical and temperate zones, coffee and cocoa being the principal export products.

The pastoral zone consists of immense plains interspersed with table lands and watered by more than one thousand rivers many of which are navigable; luxuriant and plentiful pasture being available for twenty times the several million head of live stock now extant, and due to which European capitalists have, of late, been paying close attention to the possibilities of the cattle industry in Venezuela in view of establishing large plants on similar lines to the kindred industries in the United States.

The forest zone is vast in extent and consists comparatively of some not thoroughly explored and much unexploited land, abounding in inexhaustible quantity of natural products such as rubber, tonka-beans, untold varieties of precious woods and timber, etc. In the upper Orinoco region, for instance, there are boundless forests, and in one of them which measures upwards of seventy-four million acres there exists caoutchouc in such an abundance that it would require millions of hands to exploit it. Fifty thousand immigrants, to begin with, would find there profitable employment. Venezuela offers here a rich field to enterprise, for, with the rudimentary method

now employed nearly half a million pounds of crude rubber were exported last year from the Orinoco region, and as many million rubber trees are available, there may be a possible yearly output of thirty million pounds of crude rubber from this region in the near future, according to scientific research.

In mineral resources there is scarcely a product known that cannot be found in some part of the vast expanse of territory of Venezuela. This does not imply that all can be and are now found in paying quantities, but gold, silver, copper, lead, iron, etc., are and could be mined with more profit under improved conditions of traffic and transportation and would add considerably to the wealth of the world in general and of Venezuela in particular.

A number of American citizens are making a careful scientific investigation of the vast natural resources of Venezuela. Already there are some important American enterprises, such as the asphalt properties and iron mines in which a certain amount of American capital is invested, but there is not any United States dry-goods establishment either wholesale or retail in Venezuela.

A reliable authority recommends to American manufacturers and exporters, as of the highest importance in seeking good markets for their products in Latin-American countries, to take a broad view of international commerce and not to lose sight of the fact that the more Americans who establish there the greater will be the demand for home products and that the United States will receive in return the most highly priced natural products. These recommendations rest on the well-known political economical principle, that international commerce is founded on barter and on the international division of labor.

During the decade of 1889 to 1898 the value of the principal imports of the United States from American countries, adopting round figures for brevity's sake, amounted to over one thousand seven hundred and fifty million dollars and the exports thereto to six hundred and fifty million, which demonstrate the dependency of the United States on tropical and sub-tropical products; although the latest statistics show some improvement in this respect. From this standpoint Venezuela commands the third place as an exporting American country to the United States with eighty-two million dollars' worth of commodities, of which seventy-one millions were represented by coffee, and as an importer of goods from the United

States the fourth place with thirty-two and a half million dollars, of which twenty-two million consisted of breadstuffs, cotton manufactures and provisions, the present yearly status in this regard being $3,270,000 worth of imports from the United States and $6,640,000 sent in return, which means that Venezuela exports to the United States double the value of the goods received from it.

From the financial point of view Venezuela compares favorably in American affairs. The annual revenue is about eight million dollars (1901), derived principally from customs duties. Her monetary system is now and has always been based absolutely upon the gold standard, the monetary unit being the *bolivar* which is exactly one franc in value. The banking laws prescribe that three-fourths of the capital be paid up and that banknotes may be issued *only* for twice the amount of capital fully paid, consequently there does not exist any fiduciary or other currency that is depreciated, the circulating mediums being gold to the amount of eight dollars per unit of population, national silver *at par value* to that of one and one-fourth dollars, no foreign silver currency being legal tender, and banknotes to that of sixty-five cents, the total per capita being nearly ten dollars. The fluctuations of the rate of exchange are a couple of points below or above par, which is exceptional if compared with the rate of exchange of any Latin-American country.

According to the report of the Council of Foreign Bond Holders of London (1902) the total liabilities of Venezuela are forty-seven million dollars, and it is gathered therefrom that the outstanding capital and arrears of loan service of the external and internal debts which Venezuela owes to foreign holders amount to 62 per cent of the total liabilities or to about twenty-nine million dollars.

A good authority affirms that the marvelous growth in the foreign commerce of the United States began some thirty years ago with the increase of means of transportation in all directions, thus developing the great agricultural and industrial centres, creating power to produce and gather the natural products for manufacture and transportation to the sea coast, infusing new life and wonderful activity to the United States, and making it the great producing, manufacturing and exporting nation of the world.

The superior facilities of communication of the United States, its financial strength, the shrewd strenuousness of the present ethnical type, resulting from the heterogeneous social elements, called

the American citizen, with his marvelous energy, form the solid foundation on which rests the foreign trade of the United States, and are important factors which assure the position it has attained and guarantee a future of ever-increasing expansion of its foreign commerce.

The United States has fully entered upon the third stage of progress, as classified by philosophical historians and the investigation to be begun within a couple of months by the American Institute of Social Science regarding the industrial and social conditions abroad for application in the United States will still advance it on the broad path of civilization.

Although Venezuela is the Latin-American country which lies nearest to the United States and European markets, she has not yet been able to reach such an advanced stage of industrial evolution as might be desired, due, above all, to lack of immigration, the influence of which is so obvious and wide-reaching; therefore, I am ready to vouch for the immediate need of a large, steady and methodical influx of all nationalities, but it is essential that they be well-meaning individuals, industrious and willing to establish what, according to historical studies of social science, is termed *secondary congregation,* adding thus to the development and well-being of the country, for which Venezuela is magnificently endowed by nature.

However, mere schemers, promoters and speculators, with no thoroughly respectable financial support, embarking in adventurous enterprise and reckless speculation, with enormous profits in view, although fully aware of the risks which they may incur, are *highly latent forces of dissociation which at any moment may become deplorably active,* as giving rise to claims for indemnity and methods of collecting them which probably would not be resorted to against opponents of the same military strength or standing, and which can lead to a very dangerous state of involution in American affairs, and it is a well-known fact that what all the nations of the western world want, is PEACE, to attain, as speedily as possible, the highest degree of progress and prosperity.

Before concluding I desire, Mr. President, to thank, through you, the American Academy of Political and Social Science of Philadelphia, for having afforded me this opportunity of discussing a few phases regarding my native country, and I feel especially gratified because this has taken place at a meeting presided over by the

distinguished and world-renowned chairman of the Committee of Foreign Relations of the United States Senate.

General James H. Wilson, formerly military governor of Matanzas in Cuba, was present at this session as a guest and consented to make a short address on the importance of reciprocity between Cuba and the United States as well as between the United States and all the other countries of South America.

Respectfully submitted,

L. S. ROWE, *Chairman.*

GEORGE F. BAER,
GEORGE BURNHAM, JR.,
FREDERICK A. CLEVELAND,
JOHN H. CONVERSE,
W. W. FRAZIER,
JOSEPH M. GAZZAM,
FRANKLIN H. GIDDINGS,
EDMUND J. JAMES,
EMORY R. JOHNSON,
VICTOR F. LAWSON,
J. B. LIPPINCOTT,
THEODORE MARBURG,
EDWARD S. MEADE,
GEORGE W. OCHS,
ROBERT TREAT PAINE,
SIMON N. PATTEN,
STUART WOOD,
CLINTON ROGERS WOODRUFF,

Special Committee on the Seventh Annual Meeting.

Book Department

BOOK DEPARTMENT

NOTES.

THE "MUNICIPAL YEAR-BOOK FOR 1902"[1] combines a directory of municipal officials and franchise companies, an exhibit of municipal and private ownership, and an outline of the leading public works and services in each of the 1,524 largest municipalities of the country. It includes all incorporated places of 3,000 and upwards by the census of 1900, and, in addition, all New England "towns" of like size.

The facts of most vital interest under each municipality are summarized and commented upon in the introduction, which includes a detailed review of the present status of such important facilities as water and sewage purification, improved means of garbage disposal, public baths, underground wires and central heating stations, and of municipal and private ownership.

In the body of the book there are given for each city and town its population by the census of 1900, its assessed valuation of 1901, its principal officials, and what is owned by the municipality and by private companies, respectively, with the names of the latter. Water supply, sewerage, water pollution, street cleaning, street sprinkling, garbage collection and disposal, the fire department, and finally the location of electric wires, whether overhead or underground, receive attention in the order named. Whether the street cleaning and sprinkling are done by day-labor or by the contract system, and whether the cost of each service is met by the city or by the owners of the property benefited, are also given.

"LEGAL TENDER: A STUDY IN ENGLISH AND AMERICAN MONETARY HISTORY,"[2] by S. P. Breckenridge, is an account of the debasement of English coins and of fluctuations in the value of the legal tender credit moneys of Great Britain and the United States. The work is not, as its title might suggest, a study of the various legal tender acts and of the political and economic conditions which called them forth. As a study of debasement and depreciation, however, it has high merit; it gives a detailed statement of the history of those acts and fluctuations. While the interest is a narrow one, it brings together the conclusions of the mass of monograph literature, as well as the facts to be drawn from original sources, and makes them available to the ordinary reader.

AT MANY EDUCATIONAL CONFERENCES for a number of years past, at least one session has been devoted to a discussion of the question of college

[1] "The Municipal Year-Book, 1902." Edited by M. N. Baker. Pp. 364. Price, $3.00. New York: Engineering News Publishing Co.

[2] Decennial Publications. Pp. xvii, 181. Price, $2.00. Chicago: University Press, 1903.

entrance requirements.[3] Numerous papers have been presented by school and college men from their respective points of view, and the result of all this discussion has been to draw closer together the preparatory schools and the institutions for which they prepare. The colleges no longer arbitrarily demand a certain form of preparation without having first consulted with the schools.

At the meeting of the Association of Colleges and Preparatory Schools of the Middle States and Maryland, held in Baltimore, during the Thanksgiving recess in 1902 and at the meeting of the Association of American Universities held at Columbia University during the Christmas recess in 1902, the respective merits of the examination and certificate methods of admission to college were presented. No such thorough discussion of the subject has, however, been attempted before as that which has just been published by Dr. Edwin Cornelius Broome.

Dr. Broome has presented in an interesting manner the historical development of college admission requirements in America from the Harvard requirements of 1642 to the present day. He has presented also a discussion of the present phases of the problem as exhibited in the requirements for admission of Harvard, Yale, Princeton, Columbia, the University of Michigan and Cornell. There is also a discussion of the question of college entrance requirements from the point of view of the secondary school. An interesting bibliography of the subject is appended.

Opinions differ so widely as to the proper solution of the problems of transition from school to college that Dr. Broome has very wisely confined himself to a statement of the historical facts and existing conditions rather than to theorizing concerning what he thinks ought to be.

A fact which is commonly disregarded by those who talk and write of college entrance requirements is that the college of to-day is in many respects a totally different institution from the college of even twenty-five or thirty years ago. The enlargement of the curriculum of public high schools and other preparatory institutions and the advance in the amount of work required for admission to college has resulted in making the school do a large portion of what was formerly regarded as college work, and the college do a large portion through its elective system of what was formerly regarded as university work. These facts are brought out in a striking manner in the historical review of the subject by Dr. Broome, who has done a genuine service in getting together for the first time such a valuable mass of information on the subject.[4]

MR. HERBERT N. CASSON'S little book on "Organized Self-Help"[5] is an eloquent defence of the American Federation of Labor. The author remarks that this organization, which had 1,100,000 members on its rolls in November, 1901, is increasing at the rate of 350,000 members a year.

[3] "A Historical and Critical Discussion of College Admission Requirements." By Edwin Cornelius Broome, Ph. D., Columbia University Contributions to Philosophy, Psychology and Education. Vol. xi., Nos. 3-4. Pp. 159. Price, $1.00. The Macmillan Co., New York.

[4] Contributed by J. H. Penniman, Dean, College Department, University of Pennsylvania.

[5] Pp. 211. Price, 75 cents. New York: Peter Eckley.

The author states that his book is designed to explain the worker's side of industrial problems and to describe the American labor movement as a whole. He maintains that organization is absolutely necessary to the progress of the working classes. Take away the trades union and you rob the average workman of the only chance he has of bettering his condition, having nothing to sell but his labor, and no means of getting a higher price for it except through the union. Organization, moreover, is the only expedient by which the worker can retain any individual rights whatever.

Written from the laborer's point of view, the book is, of course, pessimistic with regard to existing industrial conditions. Many of the facts which the author cites, appear, however, to be well authenticated. The essential theses which the author seeks to establish are indicated by the chapters of his book: The Trade Union as a Legitimate Business Institution. The Trade Union Prevents Lawlessness and Revolution. The Trade Union is the Distributor of Prosperity. Trades Unions as the Pioneers of Social Reform. Trades Unions Promote Education and Morality.

The book is interesting reading, written in a somewhat passionate style, and especially to be recommended to hidebound optimists.

THE FRENCH ARE MORE FACILE than the English-speaking people, in giving a lively interest and a literary flavor to matters scientific, thereby permitting a wide circle of readers to participate in the progress of science in its various fields. A late example of this[6] takes as its theme the crust of the earth, its waters and minerals, and its caverns, natural and artificial. Our attention in the presentation of this vast subject is gained and held, by the strictly human interest in processes of mining and working, and the social institutions of the workers. Coal and other carbons receive the lion's share of attention, nearly one-half the book being devoted to this topic. And this is all the more interesting to us, because of the fulness of the author's treatment of French mines and miners. His attention is drawn to the inevitable exhaustion of the world's coal supply, and he looks hopefully to the extended use of water power, "white coal," as M. Bergé has called it, to take the place of the carbons in the world's industry of the future.[7]

"THE GERMAN REVOLUTION OF 1849," by Charles W. Dahlinger,[8] is an interesting and carefully written account of the final struggle in Baden for the maintenance of Germany's first national parliament. The general title is therefore at first glance somewhat misleading. The movement treated is really provincial, although growing out of and intimately associated with the widely spread political ferment attendant upon the German revolutions of 1848 and the meeting of her first representative parliament at Frankfort.

[6] "*Les Entrailles de la Terre.*" By E. Caustier. Pp. 491: Ill. 409: 4 plates. Paris: Nony et Cie., 1902.

[7] Contributed by J. Paul Goode, University of Pennsylvania.

[8] Pp. 287. Price, $1.35. New York and London: G. P. Putnam's Sons, . 1903.

But the story is none the less interesting because of its local setting. Indeed the very fact that it is so circumscribed seems to add intensity and character to this "final death struggle of the movement."

A feature of the book of especial value to the American reader is the account of the participation in the movement by many whose names are now well known in the history of this country. Conspicuous among these are Frederick Hecker, Carl Schurz, Franz Sigel, Lorenz Brentano and Ludwig Blenker.

Chapter VIII. gives an instructive account of the decline and final dispersal of the German national parliament of 1848 with not a few of its acts, showing how completely that body was lacking in practical statesmanship. It represented the theorists and academicians and judging from its acts, the contemporary cartoonists were not far astray, when they caricatured the parliament as three aged professors in dressing jackets, smoking their pipes, all three blindfolded, but nevertheless engaged in drawing up the constitution for the fatherland. Little wonder that the Iron Chancellor should again and again declare the futility of attempting to solve the hopeless muddle of Germany's political conditions by fine phrases and constitution-making.

Mr. Dahlinger has avoided footnotes but has given instead a list of sources and secondary works at the end, some of which are excellent, though the general character of the bibliography bears out the author's statement in the preface that the book does not pretend to be exhaustive or based on original research. The volume has a good working index.[9]

FORTY YEARS AFTER THE great national struggle for the preservation of the Union, which fired the passions and distorted the reason of every person of thinking age within the confines of the United States, Andrew Johnson has an historian to do him justice. With the mist of sectional feeling scattered the commanding figure of the only President who has suffered impeachment is made to stand out as a tower of strength. As a staunch advocate of national integrity, he came first into prominence in the hotbed of secession; as a defender of that faith that knew not the narrow bounds of sectionalism, he had denounced his peers in the Senate for treason to the Union. It was this stand of the slave-holding, lifelong Southern Democrat that made Andrew Johnson Vice-President, though dubbed the "alien" by such ultra-partisans as Stevens and Sumner. In the "Impeachment and Trial of Andrew Johnson,"[10] Mr. Dewitt has introduced his subject as a strong chief executive, seeking to carry out a policy of reconstruction that had been inaugurated by Abraham Lincoln and which had already gone before the people on a party issue in 1864. In this campaign the people had stood behind Lincoln and his announced policy as against ultra-republicanism. His chief crime was that of following the platform of the party of his election; but the vigor of the chief executive and the sectional bitterness of the time, together with the blind foolishness of northern advocates of negro suffrage, were the chief

[9] Contributed by William E. Lingelbach.

[10] By David Miller Dewitt. Pp. viii, 646. Price, $3.00. New York: Macmillan Co., 1903.

elements in the controversy. The cause espoused by the President was one that even a Lincoln might have hesitated to champion after the war had ended. Johnson's small hold on the people, as shown by his "swing around the circle," was his undoing. The author shows, however, that the defeated Johnson was as staunch and true to duty as he had been in the victory that made him the popular hero. When laws were passed over his head he executed them with such faith that even his enemies could find no fault. He never lost occasion, however, to show his disapproval of the policy undertaken. Though his career was a stormy one throughout, and in his later days he was discredited, we have no firmer advocate of faith to public trust or of official vigor in the execution of established law.

"RECENT EUROPEAN HISTORY"[11] (1789-1900)," by George Emory Fellows, Ph. D., LL. D., is a useful text-book for a short course on the history of the nineteenth century, though adapted for advanced work in the high schools rather than for the college. The different phases of the progress since 1789 are set forth with a clearness and perspicacity of style that make even the necessarily brief treatment of the separate events interesting reading. The book will be welcomed by teachers of history as an admirable outline text-book for their classes.

"AMERICAN DIPLOMACY IN THE ORIENT,"[12] when taken in connection with the author's "A Century of American Diplomacy," constitutes the first systematic attempt to present to the student of American politics a clear and concise discussion of questions of foreign policy arising out of our position on this continent and our relations with the countries of the far East. The experience and training which Mr. Foster brings to the work give him a unique position amongst the writers on American foreign relations. For the last thirty years he has been in close touch with the actual practice of our government in the conduct of foreign relations and for a time directed our national policy. With this practical experience the author combines a breadth of historical view which adds greatly to the value of his discussions. The development of our relations with China and Japan, which constitutes the most important chapters of the books, is described with a detail combined with a sense of proportion as to the important and unimportant factors involved in the situation which makes the volume indispensable to every student of our Eastern relations. The Samoan complications and the annexation of Hawaii receive careful attention in separate chapters. Probably the least satisfactory part of the work is the concluding chapter on the Spanish war and its results. In the discussion of this question the author does not show the same broad grasp of the forces at work as in other chapters, but it must be kept in mind that the subject is too large to permit of treatment in a single chapter. The work of Mr. Foster is an honor to American

[11] Pp. vi, 459. Price, $1.25. Boston: B. H. Sanborn & Co., 1902.

[12] By John W. Foster. Pp. xvi, 498. Price, $3.00. Boston: Houghton, Mifflin & Co., 1903.

scholarship and an indication of what we may expect when full use has been made of the mass of material stored in the archives of the Department of State and other executive offices.[13]

"NAPOLEON AND HIS MARSHALS," by J. T. Headley,[14] is the most recent addition to Burt's Home Library. The book furnishes in a convenient form this deservedly popular work on Napoleon and the distinguished marshals to whom so much of his military success must be attributed.

"THE OLD GLADE (FORBES') ROAD"[15] is the fifth of Mr. Hulbert's series of Historic Highways of America. The two volumes preceding, viz: "Washington's Road" and "Braddocks Road," were in fact two essays on the French and Indian war, the incidents of which centre in these lines of travel. The present volume brings together much data associated with the Pennsylvania defence. The preceding volumes represent the chief military activity at the beginning of the struggle against the French and their barbarian allies. The Old Glade Road becomes important as a line of military defences and military movement to the west, ending with the battle of Bushy Run, the last important engagement of the French and Indian War in the western territory. As a further incident associated with this main highway to the Ohio, the book closes with an account of its part in Pontiac's war, beginning in 1763, the last concerted stand of the Indian against Anglo-Saxon invasion of his ancient rights.

THAT SUCCESSFUL PHILANTROPY should be constructive and preventive rather than critical and remedial is the distinguishing belief of the new generation of social workers. That the literature of philanthropy should emphasize the preventive and constructive features, holding these constantly before the general public as well as before social workers themselves, is quite as important. Joseph Lee's book, "Constructive and Preventive Philanthropy,"[16] teems with illustrations of successful constructive work. In grouping together as part of one general program so many activities the author has rendered great service not only to the organizer of social work whose failures are often due to limited conceptions of the field and its needs, but also to the official, the taxpayer and the philanthropist. In the past the question has too often been asked: "To what social work shall I give my contribution?" Through the influence of such writings the philanthropist may be persuaded to ask, "How shall I distribute my contributions among the

[13] Contributed by Leo S. Rowe.

[14] Pp. viii, 551. Price, $2.00. New York: A. L. Burt, 1902. (Complete in one volume.)

[15] "The Old Glade (Forbes') Road"—Pennsylvania State Road. Volume V, Historic Highways of America. By Archer Butler Hulbert. Pp. 205. Price, $2.50. Cleveland: A. H. Clark Co., 1903.

[16] "Constructive and Preventive Philanthropy." By Joseph Lee, with an Introduction by Jacob A. Riis. Pp. x, 242. Price, $1.00. New York: Macmillan Co., 1902.

various agencies for improving the condition of the poor in my own city?" The chapter headings give a notion of the scope of the book: Savings and Loans, The Home, Health and Building Laws, Model Tenements, The Setting of the Home, Vacation Schools, Playgrounds for Small Children, Baths and Gymnasiums, Playgrounds for Big Boys, Model Playgrounds, Outings, Boys' Clubs, Industrial Training For Grown People.[17]

MATHEWS' "OHIO AND HER WESTERN RESERVE"[18] is the third of Appleton's Expansion of the Republic Series. It is a well-written and reliable account of the movement not only of Connecticut's people, but also of her principles and political doctrines across the continent. In the first portion of the book the author points out what Connecticut doctrine stands for. A second portion is given to the settlement in northern Pennsylvania under the grants to the Susquehanna Company by the Connecticut state government under the charter received from the crown, by which Connecticut's claim overlapped that of the Pennsylvania patents. This conflict of authority, beginning with the arrest of the first few settlers, leading to the Pennamite wars, and subsequently to the Wyoming massacre, furnishes one of the most interesting episodes in American history. The author has truly portrayed the struggles there and the final settlement of the quarrel, by which Connecticut was given the lands in northern Ohio as a sort of compensation for the territory of which she was deprived in Pennsylvania. The third part of the book takes up the Western Reserve, its development and its place in American history. In this treatment special reference is made to the influence of Puritanism and the popular institutions first planted in Connecticut and later carried with the people to the West.

"THE AARON BURR CONSPIRACY," by Walter Flavius McCaleb, Ph. D.,[19] is a new version of an old theme—one that a century ago shook the foundations of American political organization and was the topic of current comment in the courts of Europe—a theme that until within comparatively recent years could not receive adequate historical treatment on account of inaccessibility of material. The plot begins before Burr leaves the office of Vice-President. It is laid at a time when antipathy between the New England seaboard towns and the interior, west and south, was so strong as to call forth overt acts as well as threats of disunion. This antipathy finds formal expression in the Virginia and Kentucky resolutions and later in the Hartford convention. Another element of unrest was the strong hostility toward Spain and the fever of land speculation, which expressed itself in a wave of national expansion. A third disturbing element is found in the political chaos abroad. Dr. McCaleb's thesis is that Burr, thrown out of political leadership in the East, sought to draw enough of financial and military sup-

[17] Contributed by William H. Allen, New York City.
[18] By Alfred Mathews. Pp. xxiii, 330. Price, $1.25. New York: D. Appleton & Co., 1902.
[19] Pp. xix, 377. Price, $2.50. New York: Dodd, Mead & Co., 1903.

port from abroad to carry to success a revolution which, with the support of the population of the West, would end in wresting from Spain her North-American possessions and breaking her colonial power. What is known as the "Burr Conspiracy" is treated as a product of the time, a general movement in which a large number of public men were interested. "The idea of penetrating neighboring territories by making conquests of them was in the air of the time and not due in the remotest sense to the influence of Burr. He strove merely for its embodiment. Though he failed, history emphatically says that his plans were opportune and their wreck was due to influences he had failed to properly estimate, and chiefly to the conduct of James Wilkinson." The duplicity which led to Burr being regarded as a traitor in the West was found in his tactics to obtain aid from abroad. The changed political conditions reversed the forces, shifted public sentiment, and Burr, unmindful of these altered conditions, was caught in the toils. In the development of his thesis Dr. McCaleb has drawn from sources—Mexican, Spanish and English—heretofore unknown and unused. He also has reproduced the original maps of Burr, which are in themselves a contribution.

THE AUTHOR OF "THE WORK OF WALL STREET"[20] has perhaps been unfortunate in that he follows a long line of similar studies in part scientific and in part issued by brokerage houses and bankers which have familiarized the public with a large part of the field treated. He has, however, made a marked improvement over anything which has previously appeared and in some places has described institutions and methods about which little was generally known. Starting with a brief history of Wall street, the author gives a general view of the financial district and a general description of the stock market. He next explains the influences which affect prices over long and short periods. A short description of the stock company follows. Approaching the principal portion of his work, the author now explains the manner in which securities are listed on the New York Stock Exchange, the organization and methods of that body, the operation of the Stock Exchange, the Clearing House, the work of the broker and the operations of the money market. Following these are chapters on the Bank Statement, the Sub-Treasury and Assay Office, on Foreign Exchange and the Balance of Trade, Private Bankers and Underwriters of Syndicates, on Panics, Manipulation, the State of Trade in Reference to Security Values, and a final chapter on The Pests of Wall Street. These concluding chapters are perhaps less satisfactory than those which precede them. The field covered is too broad for more than a discursive treatment. If any criticism were offered it would bear upon this portion of the book. The discussion of the work of Wall street proper, viz: Chapters VI to XV, is entitled to high praise. The author writes from an intimate knowledge of his subject and his treatment abounds in illustrative matter of a kind not hitherto presented. The descriptions of the Stock Exchange, Clearing House and the money market are particularly valuable. This part of the volume is a thor-

[20] By Sereno S. Pratt. Pp. xviii, 286. Price, $1.25. New York: D. Appleton & Co., 1903.

oughly scientific description of the methods of dealing in securities. "The Work of Wall Street" will take a permanent place in the literature of scientific economics.[21]

FOR THOSE STUDENTS of political problems who are convinced that the machinery of democratic institutions is even more important than any general theories of popular participation in government, *"L'Electorat politique et administratif en Europe"*[22] will be a valuable contribution to the literature of politics. The right to vote seems to be a very simple matter, perfectly plain and comprehensible in all its features. Yet the electoral systems of no two countries are alike, nor is there any tendency toward making them simpler or more uniform. The present volume is in no sense theoretical. The author has sought simply to give an objective, reliable account of the status of electoral privileges in all the countries of Europe. He has not confined himself to the legislative electorate, but also taken up the subject of the extent and nature of popular rights with regard to the choice of administrative officials. He has, moreover, very properly extended the scope of his investigations so as to include the law of municipal elections.

In most works on politics the right to vote in local elections has not been discussed. This is perhaps due to the fact that less attention is given to local legislation and administration than to national politics. But in view of the fact that local legislative assemblies are much more numerous than national legislatures, and that, within their more narrowly circumscribed geographical scope, municipal affairs are of much more intimate concern to the average citizen than national politics, there seems to be no reason for neglecting the subject of the municipal suffrage which throughout Europe is by no means parallel with the right to vote at national elections.

In Holland and Germany, for instance, less persons have the right to vote for local administrative officials than for national representatives. Elsewhere, the reverse is true.[23]

"THE GREAT SIBERIAN RAILWAY,"[24] by M. M. Shoemaker, is, in the author's own words, "a mere book of travel," and as such should not, he says, deal with political or national questions. It is the day by day journal of a journey from St. Petersburg to Pekin, including some account of both of these cities. Incidents of travel and sights by the wayside and bits of history are related in an interesting though in a necessarily unconnected manner. There is quite a long account of Lake Baikal, and Manchuria is more fully dealt with than any other section of the route. This part of the book reads much like a gazetteer—probably like the official "Guide to the Great Siberian Railway," from which the author states " all of my facts and figures have been

[21] Contributed by E. S. Meade.

[22] Etude de législation comparée. By Oscar Pyfferoen. Pp. 365. Price, 3 *fr.* 50. Paris: Giard et Brière, 1903.

[23] Contributed by C. W. A. Veditz, Bates College, Lewiston, Me.

[24] Pp. viii, 243. Price, $2.00. New York: G. P. Putnam's Sons, 1903.

taken." He gives a good account of the climate of Manchuria. In his only diversion to international politics he expresses the hope that Russia will continue to hold that province, and gives as his reason that "under her rule all men may live in peace and security. The result of her rule in Manchuria is already marked."

"THE AMERICAN FARMER"[25] is a brief study of the history and present position of the farmer in American economic life. While the book is argumentative, endeavoring to show that the interests of the farmer are the same as those of the wage-earner, and that he should therefore join the socialist party, it is, nevertheless, a convenient compendium of American agricultural development, a subject which has received meagre treatment by economists. The author recognizes the limitations of such a brief study, but he hopes to suggest monographs on special phases of the subject.

Until the recent growth of the socialist party in Italy and other European rural districts, it has been customary to believe that socialistic theories can receive but slight support from the farmer because of the individualistic character of his existence. Mr. Simons in treating of America shows that certain conditions of American life have robbed the farmer of his position as a capitalist and have placed him in the class of exploited wage-earners. These conditions are: (1) the dependence of the country upon the city through the emigrations which leave behind the "unfit"; the gravitation of surplus wealth to the cities through railroad tariffs, interests, commissions and profits; and the removal of industries from the farm, making the farmer dependent upon factory products; (2) the change in methods of farming, which reduces the farmer to a specialist working in a narrow field; this increases the complexity of farm work, requiring an expensive and elaborate equipment and special training, and makes the farmer dependent upon the market fluctuations; a new element of chance is thus introduced into his existence, society gaining the "advantages of having its food produced with less effort, the producer, however, reaping no advantage"; (3) the fact that as a result of transportation facilities the farmer has become a part of the competitive system, although the farmer himself fails to recognize this fact and welcomes the increase of farms, which can only result in reducing all to a lower level of profits; (4) the concentration of industry, which in agriculture has the effect of reducing the importance of land in relation to machinery, labor and product, which, therefore, makes the question of the decrease or increase of the size of farms a matter of less moment, but the control of the industry by a few people the all-important consideration; in other words, all forms of industry—butter and cheese making, the meat industry, even transportation, are modifications or outgrowths of farming and necessary to it; the concentration of iron, coal and transportation—the vital essentials of economic life—affecting the farmer in the same way as other industries. Mortgages have placed the farmer in the class "who use but do not own." He, too, is exploited, and he receives

[25] By A. M. Simons. (Standard Socialist Series.) Pp. 208. Price, 50 cents. Chicago Charles H. Kerr & Co., 1903.

a reward merely for his labor. The political union of the farmer and wage-earner is accordingly urged.

A GREAT VARIETY OF SUBJECTS are treated from the standpoint of an Italian radical in *"Il Secolo XIX,"* a political and social study by Pasquale Turiello.[26] The author analyzes the characteristic changes of tendency that have taken place during the nineteenth century, and endeavors to summarize its principal achievements in the domain of economic and social progress. The book, however, is by no means unqualifiedly eulogistic. The writer points out the unfortunate consequences of commercial and military conflicts, and what he calls the decadence of parliamentarianism. To the American reader the conclusion that parliamentarianism is necessarily a failure is somewhat hasty. Nations cannot be expected to accustom themselves to the judicious exercise of popular rights in three or four decades. Parliamentary government is a lesson that requires time to learn.

The book is interesting principally to persons familiar with the political history of modern Italy.

MISS ANNE HOLLINGSWORTH WHARTON'S "Social Life in the Early Republic"[27] is a delightful supplement to the political history and formal biographies of the first days after the Revolution. While it is replete with personal incidents and takes its bearing from the festal side of American life, the writer is so thoroughly in touch with the leading events of the time that the narrative is almost insensibly intertwined with the more substantial structures. The work shows a remarkable grasp of existing personal relations, the expression of which takes form in the cotillion and reception, in country-house party and fox hunt; but with this underglow of social customs and hospitality may be seen the working of motives which give point and prominence to political events. One of the most important features historically treated is an exposé of the transition from predominant upper-class English formalism to the greater simplicity of triumphant Jeffersonian democracy without the loss of culture, virtue and strength, when viewed from the ideals of the century then just begun. The beauty of description is enhanced by profuse illustration. In portraiture some of the best American art is represented.

A companion piece to Miss Wharton's work is found in Miss Esther Singleton's "Social New York Under the Georges."[28] This is not in any sense a duplication of subject. Miss Singleton's pen pictures are of social trappings, housings and furnishings; the luxury of social New York rather than social relations or social activity of old Manhattan, is her theme. In this she has been at much pains to give by story, description and by half-tone

[26] Pasquale Turiello, "Il Secolo XIX." Studio politico sociale. Pp. 187. Price, 2 *lire*. Milano: Remo Sandron, 1902.

[27] Pp. 346. Price, $3.00. Philadelphia: J. B. Lippincott Co., 1902.

[28] Pp. xix, 407. Price, $5.00. New York: D. Appleton & Co., 1902.

representation the houses, beds, chairs, settees, dishes and draperies of our well-to-do New York ancestors before the Revolution. No doubt is left as to the splendor in which our colonial forbears lived, where opportunity was given to avail themselves of the best that Europe and America could afford.

REVIEWS

Financial History of the United States. By DAVIS RICH DEWEY, PH. D., Professor of Economics and Statistics, Massachusetts Institute of Technology. Pp. xxxvi and 530. Price, $2.00. New York, London and Bombay: Longmans, Green & Co., 1903.

For a long time the need of a financial history of the United States, presenting the most important facts within a moderate space, has been felt. The wonder is that no one has essayed the task before, as the materials for the larger portion of the field were ample and accessible. Dr. Dewey has clearly comprehended the kind of book needed, and has been highly successful in producing it.

The author begins with a definition of his field. Departing from the academic definition, a broader scope is given to the term, whereby "some consideration of the monetary system of the country, such as coinage and bank issues," is included. "This extension," as the author remarks, "is made partly for convenience, since the two subjects of money and of finance in its narrowest interpretation are related in interest to the student of public affairs; and partly because it is impossible to explain the policy of the government of the United States either as to expenditures or to income, without reference to the development of public opinion and experience in the management of its monetary operations."

Of the five hundred pages composing the volume, about seventy-five are devoted to colonial finance; nearly two hundred more to the finances prior to the civil war, and the remainder of the volume to the subsequent period. Preliminary discussion is founded on colonial experience. "In the early days," says Dr. Dewey, "the support of the governor was probably the most burdensome single charge placed upon a colony. The salaries of the few executive assistants or heads of departments were small, and in many instances the governor and inferior officers were paid by fees, thus lessening the need of regular taxation." The legislative expenditures were small, for the sessions were short and the members, if paid at all, received but little. Though the administration of justice was not neglected, it was not costly, there was no local navy, and the expense of the locally organized militia was assessed on the individual members, or on the town or county. Something was spent for court-houses and a few other public buildings, and for bridges and highways. That huge item of modern public expenditure, charitable relief, was unknown or confined to the "local units of administration." The only heavy demand on the colonial treasuries was to sustain an Indian war, or the greater conflict with France. As the ordinary expenditures were so slight, so was taxation; and though this finally proved to be a cause of

great discontent, it was the principle, and mode of administering some of the tax laws, rather than the amount which the government sought to extract from the people, that led them into revolution.

The second chapter deals with the revolution and the confederacy, and the third with the financial provisions of the constitution. The latter chapter, of fourteen pages, is luminous reading. The author says that the exclusive grant of import duties to Congress was strongly denounced because the states would be thereby deprived of the resources needful to sustain their own credit. "Most abhorrent of all was the grant of internal taxation to the federal government." Citizens were solemnly asked what would be their reflections when a host of rapacious tax-masters invaded the land, "who will wrest from you the hard product of your industry, turn out your children from their dwellings, perhaps commit your bodies to a jail." A contemporary writer replies that "this is the mere frenzy of declaration"; but, Dr. Dewey adds, "nevertheless these fears were sincere."

The next history of the national period begins with a chapter on the organization of the Treasury Department, the assumption and funding of the state debts incurred in the revolutionary struggle and the establishing of a system of taxation on imports.

Then follow other chapters on the creation of a national bank; the establishment of a system of coinage and internal taxation; the second war with Great Britain and the creation of the second national bank, the revival of internal taxation and a heavy and more general tax on imports. It was after this war that the taxation of imports for the double purpose of deriving an income and of protecting the American producer became one of the most important matters,—a place it has since held except when shadowed by the civil war and a few other events of brief duration. Dr. Dewey has treated this subject with golden candor and his usual clearness. It is quite impossible for anyone to give the true origin of much of our tariff tinkering, the mysteries and intricacies of the changes, which interests were to be helped or injured by them. Were Senator Aldrich, for example, to give us a tithe of the knowledge he possesses concerning the origin of the warp and woof of the last tariff measure and how the materials were finally woven together, it would be interesting reading. Still more difficult is the task of tracing the consequences of this legislation. Within the space at his command, Dr. Dewey has done much to give the reader the most important facts.

The civil war brought forth some great measures, many loans, a government paper money, a national banking system, the establishment of an income tax, another system of internal taxation, and an increase and complication of the taxes on imports. All of these matters are described briefly yet clearly, and it will be the reader's fault if he lays down the book without understanding them.

It should be added that each chapter is prefaced with references to the best authorities, which will be of great value to those who desire to make further explorations, or to verify the author's statements. As the topics are well arranged, in chapters of convenient length, the book ought quickly to find a place in our educational institutions, many of which are at last giving

this subject the importance it deserves. Too long have the economic and moral sides of American history been overshadowed and darkened by the political. With this excellent book in existence, there is no longer excuse for not presenting the financial side in every fairly complete course on American history.

ALBERT S. BOLLES.

Haverford, Pa.

The Souls of Black Folk. By W. E. BURGHARDT DUBOIS. Pp. x, 264. Chicago: A. C. McClurg Company, 1903.

"Herein lie buried many things which if read with patience may show the strange meaning of being black here in the dawning of the twentieth century." With this sentence Professor Dubois, of Atlanta University, opens his book bearing the significant title of "The Souls of Black Folk." A more interesting book seldom comes into one's hands. The simple black cover with its gilt letters, the chapters headed with a few bars of some of the old negro melodies, the sorrow songs, seem in keeping with the theme. The interest in the subject matter is increased by the literary form in which it is couched. In the forethought the author says: "First, in two chapters I have tried to show what emancipation meant. In a third I have pointed out the slow use of personal leadership. Then in two others I have sketched in swift outline the two worlds within and without the Veil, and thus have come to the central problem of training men for life . . . I have in two chapters studied the struggles of the massed millions of the black peasantry and have sought to make clear the present relations of the sons of master and man. . . . I have stepped within the Veil, raising it that you may view . . . the meaning of its religion, the passion of its human sorrow, and the struggle of its greater souls."

Though deserving of high praise, the book has its serious faults. As one reads there is not only a growing appreciation of the injustices to which attention is called, but also a growing protest against the spirit of the author. There is a tendency to snarl against social customs, an evidence of mental bitterness, natural perhaps, but one wishes Mr. Dubois could rise above it. Not until he ceases to go about with "chips on his shoulders" as it were, will he gain the influence to which his mental attainments entitle him. No doubt it is strange to "be a problem"; "an American, a negro, two souls, two thoughts, two unreconciled strivings." Yet, one who knows the educational opportunities afforded Professor Dubois, finds it hard to appreciate the statement that the soul-longing of the negro is that "He simply wishes to make it possible for a man to be both a negro and an American, without being cursed and spit upon by his fellows, without having the door of opportunity closed roughly in his face." The reader is sometimes inclined to think that the author might well have added to his other indications of a classical education another quotation: "Vergiftet sind meine Lieder."

To Professor Dubois the "problem of the twentieth century is that of the color line." He pleads for the extinction of race prejudice. We must seek

its "abatement and not its systematic encouragement and pampering by all agencies of social power from the Associated Press to the Church of Christ." This he seems to feel is taking place to-day. To America of to-day the negroes do not come empty-handed. "There are to-day no truer exponents of the pure human spirit of the Declaration of Independence than the American negroes."

To many people the centre of interest will be in the attack on the policy of Booker T. Washington. Professor Dubois says this involves for the negro a giving up of (1) political power; (2) civil rights; (3) higher education of negro youth. "This policy has been insistently and courageously advocated for over fifteen years and has been triumphant for perhaps ten years. As a result of this tender of the palm branch, what has been the result? In these years there have occurred (1) the disfranchisement of the negro; (2) the legal creation of a distinct status of civil inferiority for the negro; (3) the steady withdrawal of aid for institutions for the higher training of the negro."

It is admitted that these changes have not been caused by Booker Washington, but it is charged that his influence has speeded their coming. Professor Dubois in opposition says, "On the contrary negroes must insist continuously, in season and out of season, that voting is necessary to modern manhood." Washington is particularly criticised in that his influence has tended to withdraw the assistance of the whites and to make the negroes stand by themselves. I do not believe the attack on Washington is successful, although there may be a measure of truth in the charge that his educational program is too narrow.

Far more helpful, in my opinion, than the chapters of criticism are those devoted to the description of the psychical evolution of the negro; the work of the Freedmen's Bureau; the experiences drawn from life as a school-teacher in the chapter headed "Of the Meaning of Progress" and the description "Of the Black Belt"; "Of the Sons of Master and Man"; "Of the Faith of the Fathers." As Professor Dubois says, the South is a most fruitful field of social study. But the author is too much inclined to emphasize the bad; to chronicle the failures, the injustices and the wrongs. He feels that the whites "tamper with the moral fibre of a naturally honest and straightforward people" and are teaching the youth that to succeed they must be sly and cunning, not open and honest. Thus arises an ethical dualism—the triumph of the lie There is an interesting account of the career of Alexander Crummell, and a very able argument for negro colleges and universities. "Of the Coming of John" is a good story, but it ends in tragedy. The last chapter analyzes the sorrow songs.

While there is much in the book of great value, it may be emphasized again that bad as race prejudice is, it cannot be damned or bewailed out of existence. The negro is not the only victim of it. It will cease when the blacks can command and compel the respect and sympathy of the whites. The author who lives within the "Veil" of social prejudice will not accomplish his ends by such appeal as is found inserted in the afterthought: "Let the ears of a guilty people tingle with truth, and seventy millions sigh for

the righteousness which exalteth nations, in this drear day when human brotherhood is mockery and a snare." There is more of good in the relationship of the two races than Mr. Dubois would have us believe.

CARL KELSEY.

University of Pennsylvania.

Greater Russia—The Continental Empire of the Old World. By WIRT GERRARE. Pp. xiii, 336. With illustrations and map of East Siberia. New York: The Macmillan Company, 1903.

In his recent book, "Greater Russia," Wirt Gerrare, of London, departs from the usual rule in politico-economic studies. He does not claim to have consulted all the official sources and to be indebted to the officials for kindness and aid. Being an Englishman, he was compelled to enter and travel in Manchuria in disguise and the book throughout is the result of the personal observation and conversation of one who seems to know the country and the language well. He claims further that in the East the things seen are the only ones to be sure of. Mr. Gerrare has good economic and geographic instincts and gives much information concerning the resources and prospects of commercial and industrial Siberia. As a student of human nature he analyzes the Russian character and finally dips into international politics. To those who do not read books through, its usefulness is limited by an inadequate index.

Russia is on a boom. Industries are increasing, the cities are being rebuilt so rapidly that the old picturesqueness is going, but this does not mean that Russia has a creative genius. "Like a sponge Russia has absorbed; she has not assimilated. Whatever there is of western civilization in the Russian is an accretion, there is no blend. The Russian is an apt imitator, but he stops there." Russians are pleased to call their country the "new America," but, "in the 'new America' there is no initiative; all has to be brought in from the outside. Given the idea, shown the way, helped to a fair start, the Russian can go ahead with facility. The teacher is delighted; more apt pupils never were found. All goes well until the machinery wears or some little thing goes wrong; then things are at a standstill until outside help has been brought in to right them."

The Russian policy is, Russia for the Russians. The protective tariff goes high and higher, and Russia like several other countries strives to reach and maintain the peculiar position of selling much and buying little. As with foreign goods, so with the foreigner and the foreign corporation, they are not encouraged or wanted. The individual Russian's enterprise is also somewhat under the ban of the government, for the government must do everything in Russia: "it is the state that initiates, the state that achieves and the state that looks to the public for approbation. It is the state that leads, guides and pushes the public in the way it intends they should take." This necessitates a horde of officials whose power is increasing at the expense of the local councils. The officials hold together against the citizen and there is little check upon them for the guarantee of justice. Secret circulars from St. Petersburg

interpret the law and the officials, military and otherwise, are thoroughly hated and opposed by the people. "The most popular cartoon in Siberia is one showing the peasant tilling in order to enrich state and church officials, middlemen and manufacturers." The peasant is still dull and downtrodden, but is getting more liberty to leave his village commune and work in new industries. The people everywhere show increasing disrespect for officialdom.

The book contains a fair description, from the economic standpoint, of the country between the Volga and the Pacific, but most attention is given to Transbaikalia, the Greater Russia of the author. Here is a tincture of western ideas, received by way of the far east. Siberia, he thinks, has been overpraised. There are vast natural resources in agriculture, timber and metals, but there are also vast stretches of waste land. The famous railway is great only in its length and its purposes. The slightest strain or accident might overtax or stop its usefulness in time of war, and in time of peace it is sometimes entirely closed to the public because government work gives it full employment. Running expenses have not yet been met by receipts. Siberia may in the future need more railroads, but she now needs not roads but men. Siberians are better off than Russians, but the significant point is made that the present Siberia is the product of the choice Russians, the men who dared, did and were exiled; and in their exile have built up a civilization in a wilderness. In its efforts at populating the new lands the government takes the stupid peasant with a low standard of life, low wage, low diet and low efficiency, transports him across two continents, feeds him and cares for him as though he were a child, and by the time he is allotted land the last spark of initiative is gone and he expects the government to continue to care for him.

The idea that the government must have everything prevents the proper granting of land to the settler, keeps out the foreigner and his capital and places so many restrictions on industry that "at the present rate of settlement it will take generations to colonize Siberia, so that in the end Russia must be outstripped, for British colonies and other lands with no greater natural advantages have a much greater population, and produce more wealth." The attitude of government toward industry is shown by the recent violation of contracts and sudden closing of Siberian gold mines to foreigners who had even obtained titles to the diggings.

Russia's idea of her manifest destiny is to absorb Asia and start universal peace through the spread of Russian orthodoxy as a world religion. The boundaries expand wherever there is least resistance. When resistance takes a strongly threatening form Russia waits, for she cannot afford war with its possibilities of internal dangers. There is no prophesying what a foreign war would bring, with eight million Mohammedans under the yoke in Central Asia, aspiring Poland, the resentful Finns, the German Lutherans along the Baltic, the five million persecuted Jews with their grip on her finances, and the great downtrodden majority everywhere. Meanwhile conquest by rail goes on and a secret line is building or built across Mongolia to the Great Wall near Pekin.

Russia's claim that her half-Asiatic origin fits her for success with the

Orientals is not proved in experience, and the failure of the Russian to compete with the Chinese in Transbaikalia, combined with the freedom of passage, suggests to Mr. Gerrare the possibility of Chinese rather than Russian dominance in part if not the whole of Siberia.

J. RUSSELL SMITH.

The Principles of Economics. By DR. N. G. PIERSON. Volume I. Translated from the Dutch by A. A. WOTZEL. Pp. xxx, 604. Price, 10*s*. London: Macmillan & Co., 1903.

The translation of Dr. Pierson's monumental work on economics earnestly hoped for by Professor Edgeworth in his review of the Dutch second edition now makes its appearance, so far at least as the first volume is concerned. A second volume at present in course of translation is promised, the first containing the discussion of value in exchange and of money, while the second will review production and the revenue of the state.

This is a remarkable and weighty treatment of economics now given to the English-speaking world for the first time. That fact and the general unfamiliarity with the Dutch language seems to warrant a fuller discussion than is ordinarily accorded to a translation. The division of this first volume into value in exchange and money may be misleading. Under value and exchange there is first a thorough discussion of the idea of value, and then chapters upon the rent of land and of houses, the interest on capital, the profits of employers, the wages of laborers and prices. Part II, which occupies about a third of the book, reviews the history of bimetallism and of banking in the principal countries. Then, foreign exchanges are discussed and finally the principles upon which currencies ought to be regulated.

One of the most interesting features of the work is the introduction in which the author discusses the general concept of economic science and the limits of the subject. This section was added in the second edition of the original, apparently for purposes of controversy. Dr. Pierson rejects the artificial distinction that has been set up between economic policy and the theory of economics, for he denies that any distinct line between the two fields of thought can be drawn. Professor Marshall's definition of economic law is accepted by him as correct, though he thinks that Marshall does not go far enough. In general, says he, the deductive method must be used. These general views give the key to the whole plan. Disregarding the stereotyped way of approaching economics, the treatment plunges at once into what American writers discuss under the head of distribution. There is little that is new in what the author has to say of the rent of land, although his treatment is marked by a singular clarity and definiteness unfortunately lacking in the work of most of the economists who have written exhaustively on the subject. The same criticism, however, cannot be offered on the treatment of house rent. Here there is much skillful classification and analysis of conditions affecting such rents. The discussion of taxes as affecting house rents and of changes in the cost of building as influencing older values suggest Ricardian methods of reasoning. Both here and in the portion treating of agricultural

rents the influence of Marshall can be very plainly seen. The conclusions reached are eminently sane and sound, the logic (granting the author's premises) flawless, the method interesting and stimulating.

There are no more instructive chapters in the volume than those which relate to wages and prices. On wages, Dr. Pierson is semi-classical in his treatment. He maintains that Thornton's theory of wages contains or implies three elements of truth: (1) that wages are largely determined by the productive power with which capital and labor co-operate; (2) that in the long run the wages of labor cannot be lower than the "value in exchange of labor"; (3) that wages are largely influenced by limitations upon the numbers of workers in a country. Granting that we are considering a trade which necessitates the outlay of great physical strength or skill, or assuming that trade unions are highly organized and powerful, Thornton's theory of wages, says Pierson, may be correct. But this rule is not absolute. Changes take place, and the result is that wages are altered. After a careful examination not only of the views of classical economists, but also of some of the moderns, it is concluded that the laborer derives his income from the same source as the capitalist, and that the wages of labor cannot exceed the advantage procured by its employment in behalf of the capitalist. Wages must, in fact, fall very far short of this advantage in a process of bargaining, and are governed by four causes: (1) the amount of population; (2) the returns obtained by the co-operation of capital and labor in general; (3) the returns which capital and labor obtain on the economic margin of production; and (4) the quantity of capital seeking investment in productive enterprise.

Of prices as measured by money, the author treats at some length. He accepts the quantity theory in a moderate form regarding price fluctuations as due to changes in the amount of money in circulation. It may be added that in speaking of international trade, his theory is colored by the attitude thus taken with reference to the doctrine of money prices. Of prices as representing the ratios in which goods exchange for each other, Dr. Pierson asserts that a tendency exists toward the establishment of what he calls normal price, but he does not consider this normal price identical with expenses of production in each and every case. The theories of the Austrian school receive recognition in the doctrine that a fixed relation of utility brings about a fixed relation of prices of goods. This is not held to be incompatible with the author's views on cost of production, for "there are many goods which it would be quite possible to supply and which could very well be used, but which are never produced because they are esteemed less useful than other goods whose production entailed the same labor." Some doubtless will be unwilling to accept this easy method of harmonizing discordant theories of prices.

It would seem that Dr. Pierson's chapters on money are the least satisfactory part of his work. He has given one chapter to the leading monetary systems, one to banking systems of the world, one to the foreign exchanges, and one to the regulation of currencies. Among the principal monetary systems he mentions only Great Britain and India, France and the Latin Union, Germany and Austria-Hungary, Holland and the United States; while

among banking systems he examines only those of England, Scotland, France, Germany, Holland, Switzerland and the United States. There is little of new theory in the discussion. It accepts the well-known doctrines of international trade, antagonizes protection and opposes bimetallism even of the "international" description, under existing circumstances. All this is clearly and definitely set forth with a conciseness and discrimination of the most admirable quality. It is disappointing to find, therefore, a considerable number of inaccurate statements which are of such a character, moreover, as to weaken confidence in Dr. Pierson's accuracy where facts relating to countries other than his own are concerned. Thus, speaking of banking in the United States, he says: "The year 1863 was not the first in which privileges were accorded to a bank by the federal government; but whereas before they had been accorded to one particular institution, now they can be secured by any bank. The one institution referred to was the United States Bank, established in 1791. The charter of that bank, after expiring in 1836, was renewed by the state of Pennsylvania. It never had a monopoly, but its notes were accepted in all the federal treasuries (sic)." Later Dr. Pierson seems to have supposed that the national bank act of 1863 is now in full operation, for he speaks of its provisions as applicable to the national banks. He, moreover, falls into the error common among European writers of supposing that the "10 per cent tax" on state banknotes operates like a real tax. He speaks of it as if it were an annual tax similar to the tax on national bank currency. Although Professor Edgeworth, writing in 1896, spoke of the second part of this book (on money and banking) as having been brought up to date, it is evident from a reading of some of the chapters that such a complete character had not been given to those sections which relate to the United States. Moreover, some slips and errors seem to indicate that the same neglect appears in the case of other countries as well. Apparently Professor Edgeworth's main reason for considering the book up to date at the time he wrote was only that the author had made use of the then recent book of Mr. L. L. Price on money! It would seem that in some respects the book has had actually some addenda subsequent to the first edition. But these consist merely of a paragraph here and there by way of completion of historical outlines already begun. The treatment of money in the United States is disproportionately short. Errors also occur in the account of the Latin monetary union.

An adequate treatment of Professor Pierson's book within the brief limits of a review would be impossible. It is enough to say in general terms that the book is striking in its method, solid and impressive in its reasoning, and marked in its vindication of the older theories, though it is unfortunately true that it contains many blemishes, some errors of fact, and some sections out of proportion with others. While it will not be useful as a handbook on account of these errors, and while its size may unfit it for use as a text-book, it is sure to hold an important and permanent place as a systematic treatment of economics.

H. PARKER WILLIS.

Lexington, Va.

Rhode Island, Its Making and Its Meaning, 1636-1683. By IRVING BERDINE RICHMAN, with an Introduction by JAMES BRYCE, M. P., D. C. L. Two volumes. Pp. 266 and 295. New York: G. P. Putnam's Sons, 1902.

These volumes, with their artistic make-up, their good maps, and the indorsement of the greatest political thinker of the present time, are sure to have close scrutiny. In the main, they bear the critical search-light favorably, though falling short of the highest excellence.

The author seems to have the historical method of work, but has an unfortunate air of predisposition to a theory for which he is seeking support. Yet he is a better investigator than he is a political philosopher. The table of contents shows that he aspires to the latter distinction, which, perhaps fortunately, he escapes. He has the historical appetite for original sources, which, together with the work of his predecessors, he has fully used.

Arnold, the most thorough student who preceded Mr. Richman, was an annalist, whereas the latter is enough of a philosopher to generalize with convincing force, and has admirably massed his facts to show the tendencies of the colony. In scholarship the work is fair and accurate, and well up to the present standards of historical work.

If the author disregards economic conditions wholly, and gives little attention to constitutional questions, yet in other respects his treatment is good as to perspective and historical proportion. The style is readable and the author sympathetic with his subject, indeed, his past work seems to identify him with themes of political and social freedom.

The author seeks to prove that Roger Williams and his colony connect the religious reformation of the sixteenth century with the political revolution of the eighteenth. Williams is described as understanding individualism fully on the religious side, but only in part on the political side. It remained for Rhode Island to attain the last. Individualism was the ruling tendency there, and to liberty of conscience in religion was soon added democracy in politics. This outgrowth was aided by the early independent local governments, and emphasis is laid upon the fact that Rhode Island was created by the union of towns originally independent. In these towns the first settlers were of diverse beliefs and stock. Absolute religious freedom was necessary in order that they might live together.

Roger Williams' part in founding Rhode Island is fully and truly given, the author being aware of his hero's limitations as well as his powers. The Massachusetts theocracy is shown in conflict with the spirit of toleration characteristic of the time. Williams, the American champion of that toleration, is exiled. Mr. Richman does not consider as carefully as Edward Eggleston, in "Beginners of a Nation," whether the magistrates and clergy of Massachusetts were aroused against him on account of his attack on the patent or his defence of toleration. Only such inquiry can determine the justice of their conduct toward him. Whatever the cause of his exile, he became the founder of the new colony whose ground plan was freedom of conscience. Then begins the evolution toward political, individual freedom. The factions on the mainland and those on the island have a struggle which ends in establishing the principle of political individualism. Almost at once this principle

suffered a test in the problem of how far individualism might go in resisting government. William Harris denied the right of any government restraint, while Roger Williams declared that individualism could not go thus far. After political individualism had "paralyzed the arm of Rhode Island in time of peril from the Indians," Williams' position was accepted by the colony.

C. H. VAN TYNE.

The Woman Who Toils. Being the Experience of Two Ladies as Factory Girls. By MRS. JOHN VAN VORST and MARIE VAN VORST. Pp. 303. Price, $1.50. New York: Doubleday, Page & Co., 1903.

"The Woman Who Toils" is the experience of two society women—"ladies" they invidiously call themselves, following the English rather than the American custom—as factory girls. The book is a joint production, but throughout it reads like a novel, and it is interesting and entertaining, the more so because of the introduction of irrelevant matter which shows what incidents impressed the writers in their contact with women of another sphere.

The first part pictures life in a pickle factory in Pittsburg; in factories in Perry, a New York mill town, and in clothing and other shops in Chicago. The writer has laid out for herself the rather large task of giving a clear picture of factory life, "of the economic conditions, of the natural, social and legal equipment of woman as a working entity, of her physical, moral and esthetic development." In a few weeks of factory life it was hardly possible to accomplish this object. Detailed descriptions, however, are always of interest, but the conclusions of the writer as to woman's position and attitude toward her work have long been familiar to economic writers. Two conclusions of the work deserve consideration: (1) the race suicide question; and (2) industrial ar work for the semi-dependent girls. Mrs. Van Vorst has helped to start a new discussion of the race suicide question from the American standpoint. Coming from a class where the women are luxurious, idle, fond of dress and have few children, Mrs. Van Vorst finds that the factory girls in their idle hours discuss beaus, spend their money on pretty things and are unwilling to terminate their flirtations by settling down to married life. While there are grave dangers in certain tendencies of American women, the fact is overlooked that empty-headed women will always be limited to these matters of interest, and that in the factory, not as it is, but as it might be—an educational and social force in the community, giving industrial training and broad social contact—lies a possible solution of the difficulty. Moreover, the extensive publicity of life to-day, which brings people out of their domestic hiding-places, merely throws into prominence, rather than causes certain evils. Premature marriages have always been a source of disaster to the poor. This is an age of transition in which the responsibilities of married life are recognized. It is, perhaps, well that the selfish and unfit are unwilling to undertake them.

Recognizing the need of training and the competition of the semi-supported women, Mrs. Van Vorst makes the valuable suggestion of attracting these

girls into another field,—"which requires instruction and especial training, which pays them as well while calling into play higher faculties than the brutalizing machine labor,"—that of industrial art work. The opportunities for industrial art are certainly extensive and doubtless a new field of work will be opened to women along this line, but it will be in the factory. Home work always leads to sweating, while the possibilities of the factory as a social institution are very great.

The second part of the book describes making shoes in Lynn and life in the southern cotton mill, including a chapter on child labor. The writer's experience in the southern mills is vividly told, and probably the description is in no way overdrawn. It is of especial interest in connection with the recent discussions of child labor, and the efforts of the South to remedy this evil. Yankee hypocrisy is well shown in the protest of the northern mill owner—a woman, too—that "the children like to work in the mills." The enthusiasm of childhood is thus used as an argument for stunting growth and curtailing development. The contrast pictured between the finely equipped mills and the mean, unsanitary, crowded villages, dispels the bright promises of the prospectuses. Miss Van Vorst makes it very plain that such villages are as bad for children as city slums.

The factories of Massachusetts are generally supposed to be of a high order. How much is yet to be done is made evident in the picture of dark conditions in Lynn.

The reader must question the taste of a certain naïve snobbery about the book, which gives the value of garment before and after the metamorphosis of the writer, which refers to the former Paris gowns and ladies' maids and which also shows the antagonism of the well-to-do toward any pretense among the working girl "swells" or leaders.

EMILY FOGG MEADE.

Philadelphia.

Pure Sociology. A Treatise on the Origin and Spontaneous Development of Society. By LESTER F. WARD. Pp. xii, 606. Price, $4.00. New York: The Macmillan Company. London: Macmillan & Co., 1903.

Anything upon sociology coming from the pen of Mr. Lester F. Ward will command the most careful attention from American readers. His profound knowledge in the natural sciences gives him a point of view in treating of the genesis of social institutions possessed by but few writers on sociology. Added to this his extended study of sociology covering a period of over thirty years gives him a right to command the attention of thinking students everywhere, whether they agree with him on fundamental principles or not. The author's former works on sociology, "The Dynamic Sociology" (1883), "The Psychic Factors of Civilization" (1893), and "The Outlines of Sociology" (1896), never constituted a system, and heretofore Mr. Ward has suffered much at the hands of critics who assumed that he had already presented to the world his system of sociology. The publications subsequent to "The Dynamic Sociology" brought out adverse criticisms on the ground that the

author was devoting most of his energies to bolstering up positions already taken without developing much that was new. Without going into the merits of this criticism, it is sufficient to say that those who have expected a résumé of his former publications in "The Pure Sociology" will be surprised to find an altogether new aim, and as he puts it in his preface, "the subjects are viewed from a different angle of vision."

Mr. Ward tells us in his preface that he is now aiming to establish a system of sociology. This volume, "The Pure Sociology," is the first part, and a promised volume, "Applied Sociology," is to be the second part. The secondary title to "The Pure Sociology," "The Origin and Spontaneous Development of Society," states clearly the purpose of this volume. The aim of "The Applied Sociology" will be to show how society modifies itself.

As the volume before us consists of nearly six hundred pages of closely printed material in which a vast fund of knowledge is condensed, it will be impossible to do anything more in a brief review than to give a mere outline of the salient features of the work. The volume is divided into three parts—Taxis, Genesis and Telesis—nearly two-thirds of it being devoted to the second division. In the first part are discussed the general characteristics, the subject matter, and the methodology of sociology, the systems of sociology, and the establishment and development of sciences. The second part, Genesis, deals with the genesis and development of social forces into the formation of society and social institutions. In the third part, Social Telesis, emphasis is put on the genetic elements of telesis, otherwise this division should appear in "Applied Sociology."

Pure sociology is distinguished from applied sociology in having nothing whatever to do with the purposeful activity of man or society. It is described also as having no concern with what society ought to be, or any social ideals. It confines itself strictly to the present and the past, allowing the future to take care of itself. It totally ignores the purpose of the science and aims at truth wholly for its own sake.

The discussion on How Science Advances is particularly illuminating, and no one could take issue with the author on the status of sociology from the point of view of its advancement. Twelve systems of sociology are classified, each of which is grouped about a unitary principle, and claims are put forward by the devotees of each system to show that a particular one is of itself the science of sociology.

The author takes the position that the subject matter of sociology is human achievement.[29] It is not what men are, but what they do. Sociologists are nearly all working in the department of social anatomy, when they should turn their attention to social physiology. And again he maintains "that the products of achievement are not material things at all.[30] They are not ends, but means. They are methods, ways, principles, devices, arts, systems, institutions. In a word, they are inventions."

The last paragraph of the chapter on methodology states the author's position on the relation of sociology to the other special social sciences. "It[31]

[29] P. 15.
[30] P. 25.
[31] P. 62.

is the function of methodology in social science to classify social phenomena in such a manner that the groups may be brought under uniform laws and treated by exact methods. Sociology then becomes an exact science. In doing this, too, it will be found that we have passed from chaos to cosmos. Human history presents a chaos. The only science which can convert the milky way of history into a definite social universe is sociology, and this can only be done by the use of an appropriate method, by using the data furnished by all the special social sciences, including the great scientific truths of psychology, biology and cosmology and generalizing and co-ordinating the facts and groups of facts until unity is attained."

In Part II, on Genesis, the discussion of the relation of sociology to the special social sciences is continued. Here it is maintained that sociology stands at the head of the entire series of sciences and is enriched by all the results of each.

In the chapter on Dynamic Agent, dynamic is used to denote force. It is argued that "the law of conservation of energy and correlation of forces is as applicable to psychic and social forces as to physical forces." Desire is a natural force, and "the collective desires of associated men are the social forces." Desire is a condition of pain, and all the pleasures of life are associated with the satisfaction of desires.

In explaining the origin of the subjective faculties, it is held that "the initial and irreducible element of mind is feeling." But feeling must furnish an interest, and "the only conceivable basis of interest is agreeableness or its opposite. The author holds that the purpose of creation is involved in the bringing of life into existence and its perpetuation, and the conditions of pleasure and pain are absolutely necessary to the existence of plastic organisms. In holding that feeling is necessary to function, and that it in turn becomes the sole end of the individual's life, the author puts himself on well-known hedonistic grounds. Mr. Ward finds fault with such writers as Huxley and Spencer, who, while holding to the evolutionary theory, regard consciousness as something that differs from all other things. "It practically amounts," he claims, "to a recognition of discontinuity, and seems to me virtually to give away the whole evolutionary or monistic hypothesis."

In the chapter on Social Mechanics the author concludes that there is a true science of social mechanics which deals with social energy, which is a special mode of manifestation of the universal energy. Social statics and social dynamics are claimed to be as legitimate branches of mechanics as are hydrostatics and hydrodynamics. In the chapter on Social Statics the author introduces the term synergy to express energy and mutuality, or "the systematic and organic working together of the antithetical forces of nature." There is cosmic unity and universal polarity in nature. As to the second, it is shown that each force meets with resistance and there is always a competition of forces resulting in partial equilibrium, and finally ending in collaboration and co-operation. In the organic world the primary contending forces are those of heredity and variation. The operation of these forces is then explained. Social dynamics are contrasted with social statics in the following statement: "In all departments of nature where the statical condition is

represented by structures, the dynamic condition consists in some changes in the type of such structures." Wherever there is a change in type of structure of whatever sort which changes the relations of an organism to its environment we have social dynamics.

Those who are familiar with Mr. Ward's earlier works will recall his classification of the social forces. The two main groups are the essential forces and the non-essential forces. The essential forces consist of the preservative and reproductive forces, while the non-essential forces are divided into the esthetic, emotional and intellectual forces. The preservation forces are discussed in the chapter entitled the Ontogentic Forces. Here the influence which those forces that have subsistence and protection for their ends exert on the creation and transformation of social structures is considered. Under the head of the Phylogenetic Forces are discussed "those forces that have reproductions for their functional end in the direction of creating and transforming social structures." Recognizing that there has been but little scientific investigation in this field, Mr. Ward traces the genesis of these forces at considerable length. The non-essential or higher forces, the emotional, the esthetic and the intellectual forces are discussed under the head of Sociogenetic Forces. These forces are described as making their appearance at nearly the same stage in human development, and a physical basis for each is sought.

Part III, Telesis, is considered under the following chapters: The Directive Agent, Biologic Origin of the Objective Faculties, the Non-advantageous Faculties, The Conquest of Nature, Socialization and Achievement. This part seems to encroach somewhat on territory surveyed for a different volume. However, as stated before, emphasis is here put upon the spontaneous development in individual and social control.

In conclusion, but little needs to be said. The great task of the author seems to be to show the unity of phenomena. The work he is doing in showing the genesis of social phenomena and its relation to the phenomena of other more advanced sciences is a kind of work which belongs to the initial stages of a science, and on that account it is very valuable. Before sociology can advance beyond the early stages of a science, sociologists must investigate social phenomena at first hand and establish laws based upon the revelations of that phenomena.

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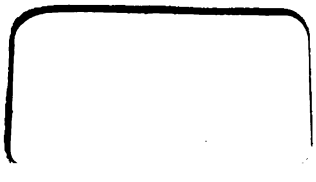
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